



**AFRICAN DEVELOPMENT
BANK GROUP**

MULTI-COUNTRY DEMOBILIZATION AND REINTEGRATION TRANSITIONAL SUPPORT PROGRAM (MDRTSP)

**COUNTRIES: Angola, Burundi, Central Africa Republic (CAR),
Democratic Republic of Congo (DRC), Republic of Congo (RoC),
Rwanda and Uganda (Great Lakes Region)**

PROGRAM APPRAISAL REPORT

Appraisal Team	Team Leader: Ginette Nzau-Muteta, Chief Socio-Economist, OSHD.1 Team Members: Yero Baldeh, Senior Socio-Economist, OSHD.1 Felix Baudin, Principal Legal Counsel, GECL.1 Gisela Geisler, Senior Gender Specialist, OSHD.0 Sector Manager: Alexis de Roquefeuil, OSHD.1 Sector Director: Tom Hurley, OSHD Regional Directors: Aloysius Ordu, OREA, Frank Black, ORSB and Mohamed Gharbi, ORCE
Peer Reviewers	James Wahome, Chief Economist, OSFU John Kanyarubona, Chief Program Coordinator, ORPC.2 Corbin Michel Guedegbe, Principal Education Analyst, OSHD.2 Ali Eyeghe, Senior Socio-Economist, OSHD.1 Moses Ayiamba, Principal Procurement Expert, ORPF Akpem Beyuo, Senior Disbursement Officer, FFCO.3

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Currency Equivalents

As of December 2008

1 UA	=	SDR	1
1 UA	=	USD	1.48797

Fiscal Year

1st July – 30th June

Weights and Measurements

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms and Abbreviations

AC	:	Advisory Committee
ADF	:	African Development Fund
CAR	:	Central African Republic
COFS	:	Combatants on Foreign Soils
CSPs	:	Countries Strategy Papers
DCG	:	Donors Coordination Group
DDR	:	Disarmament, Demobilization and Reintegration
DRC	:	Democratic Republic of Congo
D&R	:	Demobilization and Reintegration
ECs	:	Ex-Combatants
GBV	:	Gender Based Violence
GDP	:	Gross Domestic Product
GLR	:	Great Lakes Region
IDA	:	International Development Association
LEAP	:	Learning for Equality, Access and Peace
MDTF	:	Multi-Country Demobilization Trust Fund
MDRP	:	Multi-Country Demobilization and Reintegration program
MDRTSP	:	Multi-Country Demobilization and Reintegration Transitional Support Program
NGOs	:	Non-governmental Organizations
RoC	:	Republic of Congo
RPG	:	Regional Public Good
SSR	:	Security Sector Reform
TCG	:	Technical Coordination Group
TFC	:	Trust Fund Committee
TFS	:	Trust Fund Secretariat
UA	:	Unit of Account
UN	:	United Nations
UNDP	:	United Nations Development Program

Grant Information

Client's information

BENEFICIARIES: GLR COUNTRIES

EXECUTING AGENCY: MDRP SECRETARIAT, WORLD BANK

Financing plan

Source	Amount (UA)	Instrument
ADF	14.00 million	Grant (RPG)
Others*	2.31 million	Grant
Beneficiaries	TBD	Counterpart Cont.
TOTAL MDRTSP COST	16.31 million	
IDA	52.42 million	Parallel financing
Single Country Trust Funds	39.65 million	Parallel financing

*: From Italy, Finland, Canada, Sweden and Norway

ADB's key financing information

ADF Grant Currency	UA
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Timeframe - Main Milestones (expected)

Concept Note approval	April, 2008
Project approval	February, 2009
Effectiveness	March, 2009
Completion	December, 2012
Last Disbursement	December, 2011

Program Summary

Program Overview: The Multi-Country Demobilization and Reintegration Transitional Support Program (MDRTSP) supports the transition phase from the original Multi-Country Demobilization and Reintegration Program (MDRP) set out in 2002 and scheduled for closure in June 2009 to a potential phase II of the program under discussion amongst MDRP stakeholders. Several options are envisaged including a new broader and sustainable regional facility to address disarmament, demobilization and reintegration (DDR) related issues, even beyond the Great Lakes Region, following a thorough evaluation of the original MDRP. Meanwhile, since MDRP activities are incomplete and within the context of ongoing insecurity in the sub-region, the need for a transition phase is recognized by all partners of the MDRP. The development objective of the MDRTSP is consistent with the original goal of the MDRP, that is, to improve the prospects for peace building and economic recovery in the Great Lakes Region (GLR) by financing demobilization and reintegration (D&R) activities targeting about 350,000 combatants. The specific objective of the proposed program is to facilitate the effective reintegration of ex-combatants (ECs) in the GLR during the transition period. The program cost is estimated at UA 16.31 million for the period 2009 to 2011.

Beneficiary Participation: The proposed program will benefit directly about 10,000 ECs of which 1,725 will be female. In addition, the program will facilitate the repatriation of 7,300 combatants on foreign soils (COFS) and address the needs of 2,000 women and 500 children affected by the conflicts. DDR national structures will also benefit from technical assistance to reinforce their capacities. Institutional arrangements of the original MDRP involving the participation of all stakeholders from the local to the international level, including the civil society organizations (NGOs) and the private sector as implementing partners, will be maintained. Community participatory processes will be further enhanced within the proposed monitoring and evaluation (M&E) framework for the program, which will include beneficiary opinion polls, tracer studies, verification surveys, community dynamics studies and beneficiary assessments and which will in turn solicit beneficiary feedback on the program implementation process and ensure that program activities are executed in a satisfactory and sustainable manner.

Project Rationale and Need: As the conflicts in the region are the result of complex interactions of domestic and cross-border factors, a regional perspective in the demobilization and reintegration of ex-combatants is necessary to establish peace and restore security in the region. This is a pre-requisite for sustainable growth and poverty reduction in the GLR. Therefore, with the closure of the MDRP Regional Trust Fund in June 2009, there is a recognized need for a regional facility and a transitional program to: (i) complete the unfinished business (see Appendix III) under MDRP i.e., fund the demobilization and reintegration of outstanding and emerging caseloads not covered through single country trust funds; (ii) attend to cross-cutting and cross-border activities not financed through national programs; (iii) ensure continued technical support to the target countries; (iv) facilitate coordination of activities among donors; and (v) promote knowledge building and sharing on D&R.

Bank's Value Added: Since its pledge to the program in December 2007, the Bank became a member of the original MDRP Trust Fund Committee, and has been providing technical advice in the implementation of the program. Moreover, as the premier development Bank for Africa, the Bank's added value will include: (i) an extensive experience in reintegration projects in post-conflict countries across the continent; (ii) established relationships and linkages with regional bodies such as the AU critical to restoring peace and security in the GLR; (iii) an extensive experience with multinational projects in Africa; and (vi) its catalytic role in mobilizing additional donor resources.

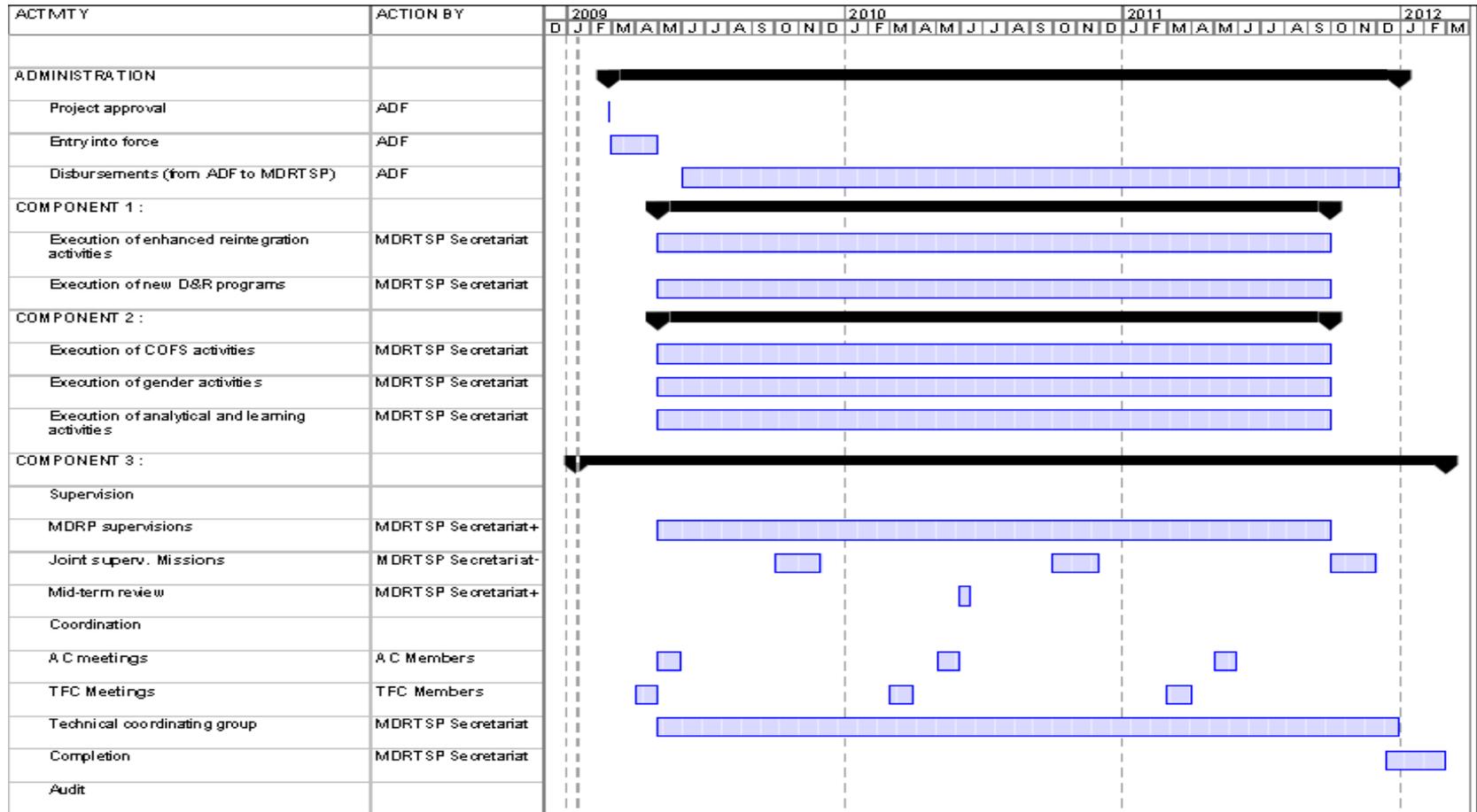
Knowledge Management: Knowledge management will be an intrinsic part of the program. Due to the complex nature of the D&R activities in the region, a clear and simple communication strategy will be adopted to guide the dissemination, application of findings, and integration of lessons learned into ongoing operations. Opportunities for further Economic Sector Work in this complex area will be created.

Result-Based Logical Framework

Hierarchy of Objectives	Expected Results and Timeframe	Target Population	Performance Indicators	Indicative Targets Timeframe	Assumptions /Risks
<p><u>Goal</u> Improve the prospects for peace building and economic recovery in the GLR</p>	<p><u>Impact (Long Term Result)</u> Peace and security restored as a basis for sustained growth and poverty reduction</p>	Population of the GLR	<p>1. Reduction in the number of internally displaced and refugees in the GLR</p> <p><u>Sources:</u> ADB/WB country information; Office for the Coordination of Humanitarian Affairs ; MDRP secretariat</p>	1.1 From 3.1 M in 2006 to 2 M in 2011	<p>Assumptions -The regional countries' Governments made the necessary efforts to end conflicts -The regional and the international community undertake actions in the areas of peace, security and reconstruction. Risk: possible relapse into conflict always remains a risk in early 'post-conflict' transitions Mitigation: close monitoring of peace agreements by donors and dialogue with the concerned governments</p>
<p><u>Project Purposes</u> Ensure the effective reintegration of ex-combatants (ECs) in the GLR</p>	<p><u>Outcomes (Medium Term Results)</u></p> <ol style="list-style-type: none"> 1. ECs reintegrated more sustainably in their communities. 2. COFS in the GLR assisted by the program 3. Particular needs of special groups addressed 4. Emerging cases during the transition addressed 5. Capacity of D&R national agencies strengthened 6. D&R Programs supported by the MDRTSP are 	ECs, Special groups (COFS, women, children,). Recipient and neighboring countries, Donors	<ol style="list-style-type: none"> 1.1 Proportion of ECs benefiting from MDRTSP integrated in community recovery and peace building activities 2.1 Number of COFS supported 3.1 Proportion regional cross-border and cross-cutting issues financed under the program 4.1 Percent of emerging caseloads supported by the MDRTSP. 5.1 Performance ratings of national D&R programs satisfactory 6.1 Number of D&R programs supported by MDRTSP harmonized 	<ol style="list-style-type: none"> 1.1.1 At least 50% of the 10,000 targeted in 2011 2.1.1 From 7,000 in Dec 2008 to 14,300 in 2011 3.1.1 From less than 1% in Dec 2008 to 5% in Dec 2011 4.1.1 At least 75% in Dec 2011 5.1.1 From "moderately satisfactory in 2007 to satisfactory in 2011 6.1.1 One hundred percent in 2011 	<p>Ass: partners continue their support to the MDR transition phase Risk 1 : persistence of localized conflict/violence Mitigation: Continued opportunities offered for D&R operations supported by viable political agreements will be a means to prevent further violence. Risk 2: GBV and other human right violations and abuses impede any successful reintegration Mitigation: - the program in collaboration with LEAP will monitor these aspects and ensure that LEAP addresses GBV issues when not covered by programs from specialized partners - a condition for accessing the original MDRP is a demonstrated commitment of Government to peace and stability. In MDRTSP, another condition will be added: commitment from the</p>

	harmonized with those supported by Country-TFs (CTFs)		with those supported by CTFs Source: TFS reports, ADF supervision reports and PCR		government to justice and human rights - Most countries have an SSR program on-going supported by donors and UN agencies
Activities	Outputs				
1. Sign MOUs with partners implementing development programs to refer ECs	1.1 Enhanced reintegration activities for ex-combatants in existing D&R programs	ECs, Special groups (women, children, disabled, affected communities)	1.1.1 Number of ECs referred to development programs	1.1.1.1 At least 5,000 by Dec 2011	<p>Ass: Efficient MDRP Transition implementation</p> <p>Risk1: Lack of coordination between programs financed at the country level and programs financed by the regional fund</p> <p>Mitigation: All stakeholders in D&R are members of the MDRP advisory committee and TFC (for donors) that enable sharing of information and coordination of activities</p> <p>Risk2: Problems associated in the past with use of Special Projects. FM and procurement problems have occurred in the past, particularly with UN agencies.</p> <p>Mitigation: It is anticipated that the new UN Bank fiduciary principles agreement will be important in mitigation.</p> <p>Risk 3: Not enough donor's contributions to the MDRTSP</p> <p>Mitigation: Continuation of the pro-active resources mobilization strategy of the MDRP secretariat</p>
2. Design D&R special projects and sign MOUs with partners	2.1 Special D&R projects (COFS, women, children) financed and implemented	Recipient countries MDRP donors	2.1.1 Number of beneficiaries of special projects supported by type (COFS, women, children)	2.1.1.1 At least 500 children, 7,300 COFS and 3,725 women by Dec 2011	
3. Design D&R programs for new caseloads	3.1 New and emerging D&R caseloads financed and implemented		3.1.1 Number of new and emerging caseloads financed through the MDRTSP	3.1.1.1 At least 5,000 by Dec 2011	
4. Realize joint supervision missions and coordination meetings	4.1 Joint donor supervision and coordination events undertaken		4.1.1 Number of joint supervision missions, coordination meetings and training activities financed by the MDRTSP	4.1.1.1 At least 4 missions, and 6 meetings	
5. Recruit TAs, assign them to countries and supervise	5.1 TAs recruited, assigned to countries and supervised		5.1.1 Proportion of the needs expressed by country covered	5.1.1 A least, 50% by 2011	
6. Train national D&R staff	6.1 National staff trained on D&R		6.1.1 Number of training activities undertaken	6.1.1 A least 4 training activities by Dec 2011	
7. Undertake D&R studies that fill knowledge gaps on D&R	7.1 Studies and impact evaluation undertaken and results shared		7.1.1 Number of studies and reports, including the MDRP evaluation report produced and disseminated	7.1.1.1 At least 5 studies + MDRP evaluation report by Dec 2011	
8. Finance the transition phase	8.1 The gap financing for the transition phase is closed		8.1.1. Disbursement of ADF resources to the transition MDTF is timely Sources: TFS reports, ADF supervision reports and PCR	8.1.1.1 50% of ADF resources disbursed in July 2009 and 100% by Dec 2011	

Program Timeframe



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF THE ADB
GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED GRANT TO
SUPPORT THE MULTI-COUNTRY DEMOBILIZATION AND
REINTEGRATION TRANSITIONAL SUPPORT PROGRAM (MDRTSP) IN
THE GREAT LAKES REGION (GLR)**

Management submits the following Report and Recommendation on a proposed grant for UA 14 million to finance the MDRTSP in the GLR.

I – STRATEGIC THRUST & RATIONALE

1.1. Program linkages with regional and country strategies and objectives

1.1.1. The program covers the original seven countries of the GLR, namely, Angola, Central African Republic (CAR), Burundi, Democratic Republic of Congo (DRC), Republic of Congo (RoC), Rwanda and Uganda, with a special focus on fragile states i.e., Burundi, CAR and the DRC as explained in section 2.5. The poverty reduction strategies of all countries have one or more of the following pillars: the reinforcement of security and stabilization of peace, good governance and regional integration. Although the Bank has no specific strategy for the GLR its programming documents for the majority of the countries in question clearly acknowledges that good governance and the consolidation of peace and security are priorities which are pillars in the Country Strategy Papers (CSP) of Burundi, CAR and DRC and Uganda and RoC.

1.1.2 The MDRTSP is fully consistent with the Bank’s Strategy for Enhanced Engagement in Fragile States -which aims to foster regional approaches to post-conflict development- and the Operational Framework for Regional Operations. It is also fully consistent with the Principles of Good International Engagement in Fragile States and Situations that complement the 2005 Paris Declaration on Aid Effectiveness and the 2008 commitments agreed by donors and partner countries on addressing fragility and conflicts in the Accra Action Agenda (AAA). The AAA acknowledges that donor support to peace and state building is crucial in alleviating poverty and facilitating progress towards the Millennium Development Goals.

1.1.3 The program also complies with all criteria for Regional Public Goods (RPGs) as elaborated under Technical Annex A. Among others, its contribution to peace, stability, and ending fragility in the GLR, which is a prerequisite for socio-economic recovery and development, is of *public interest*. Peace and stability will benefit all countries in the region, including non participating bordering countries that will receive less refugees and migrants and enjoy increased trade and cross-border exchanges (*non-excludability*); and ADF support to the program will enhance further leveraging of support from other development partners and help scale-up national reintegration activities in the sub-region, with a view to having sustainable linkages with ongoing national development and reform programs (*catalytic role*).

1.2. Rationale for Bank’s involvement

1.2.1 The Great Lakes Region (GLR) of the mid to late 1990s was epitomized by genocide and armed conflict. Since the signing of several accords and peace

agreements there has been a gradual trend towards greater stability. Armed insurgencies and rebellions in Burundi and Uganda and the recent violent conflict in Eastern Congo continue to exact a heavy toll on civilians and impede the return to normalcy (see Technical Annex A). Some states are further along in rebuilding institutions of order, while others face overwhelming odds in meeting these objectives. The dangers of relapse into conflict may potentially overshadow the regional gains in the restoration of durable peace and security. Given this state of fragility, there are continuing needs for demobilization and reintegration – hence the call for both national programs and a regional facility.

1.2.2 It is in this context that the MDRP was launched in 2002 to support demobilization and reintegration of ECs in the GLR. After seven years of operating the MDRP will close in June 2009. Some of the achievements of the MDRP as at November 2008 include the demobilization of 279,165 combatants (68% of the original target), the reinsertion of 254,369 ECs (80% of the target) and the reintegration of 300,160 ECs representing 75% of the target. In addition 30,219 children had been provided with services by child protection agencies. However, due to the complex and ever changing situation in the GLR there is still a need to complete the outstanding caseloads and also respond to the emerging ones as well.

1.2.3 Therefore, as the original MDRP closes down in 2009 and some of the fourteen current donor partners shift their focus towards D&R in the broader context of Security Sector Reform (SSR), while others have started supporting national D&R programs, there is a recognized need to maintain a regional facility to continue to attend to the levels of technical support to ongoing D&R operations and address cross-cutting and cross-border activities not financed through national programs, coordinate D&R operational and knowledge management activities at the regional level, and respond to emerging caseloads and demands from target countries. In this regard, the establishment of a transitional regional multi donor trust fund (MDTF) for the MDRTSP by early 2009 will ensure that the regional framework for D&R continues, including sustained financing and technical support to the target fragile states countries.

1.2.4 Countries in the GLR and their development partners and in particular the World Bank have approached the Bank seeking support to D&R programs. The Bank has always responded positively but could not participate in Multi-Donor Trust Funds (MDTFs) due to earlier legal and policy constraints. With the lifting of the rule of origin and the recent adoption of the Bank Strategy on Enhanced Engagement in Fragile States, the Bank's participation in MDTFs emphasizing regional aspects of fragility is now possible.

1.2.5 Since its pledge to the program in December 2007, the Bank became a member of the original MDRP Trust Fund Committee, and has been providing technical advice in the implementation of the program. Moreover, as the premier development Bank for Africa, the Bank's added value will include: (i) an extensive experience in reintegration projects in post-conflict countries across the continent; (ii) established relationships and linkages with regional bodies such as the AU critical to restoring peace and security in the GLR; (iii) an extensive experience with multinational projects in Africa; and (vi) its catalytic role in mobilizing additional donor resources.

1.3. Donor coordination

1.3.1 Both the original MDRP and the MDRTSP are designed on the basic premise that no single donor or agency can address the complexity of DDR issues in the region. From the outset, therefore, interested donor and agency partners collaborated closely to develop a consistent D&R regional strategy and design this harmonized multi-country program i.e., MDRP which therefore conforms to the Paris Declaration on Aid Effectiveness.

1.3.2 This proposal of a transitional support program is based on discussions held during the last Trust Fund Committee (TFC) meeting of MDRP donors that took place in Paris in May 2008 during which 12 of 14 TFC member countries, including the Bank, participated. Direct complementarities and synergies have been established between this project and other national DDR and SSR programs (see Technical Annex C2). In this regard, collaboration with bilateral donors is vital.

Level of Donor Coordination	
Existence of Thematic Working Groups	[Y]
Existence of SWAPs or Integrated Sector Approaches	[Y]
ADB's Involvement in donors coordination***	[M]*

* M: member but not leader

1.3.3 Donor financing to the original MDRP and indicative donor contributions to D&R programs during the transition period are shown in the table below.

Table 1.1: Sources of financing of D&R in the GLR (Million UA)

	Original MDRP (2002-2009)	Transition period (2009-2011)
Governments	5.09	TBD
ADF*	15.00	0
IDA**	135.85	52.42
MDTF***	129.42	16.31
Single country TFS	31.87	39.65
TOTAL	317.23	108.38

* Financing of PARSEC- DRC (parallel financing of the national DDR program)

** IDA provides parallel financing to MDTF

***Contributions from 13 donors in the original MDTF: Belgium, Canada, Denmark, EU, Finland, France, Germany, Ireland, Italy, Norway, Sweden, The Netherlands, UK (see Appendix II for individual contributions)

***Additional contributions are expected for the transition period

II – PROGRAM DESCRIPTION

2.1. Program Components

2.1.1 The development objective of the MDRTSP is consistent with the original goal of the MDRP set out in 2002 that is to improve the prospects for peace building and economic recovery in the GLR by financing D&R related activities. The specific objective of the proposed program is to ensure the effective reintegration of ECs in the GLR during the transition period. The program components as outlined below are further elaborated and synthesized in the results chain of the program in Technical Annex C1.

Table 2.1: program components

Component name	Est. cost (UA Million)	Component description
C-1:Support to D&R Country Programs	8.06	<p>This component will cover two types of activities:</p> <p>(i) activities to enhance the quality of existing D&R programs in the GLR since these activities in the original MDRP had narrow objectives and limited budgets when they were designed. Themes to be supported include but are not limited to: enhanced economic and social reintegration, gender equality and youth support, support to disabled ECs and their families, psychosocial support, and linkages to broad-based community recovery programs and peace building initiatives. An overview of identified gaps in financing for D&R during the transition for which funds could be applied is also provided in Technical Annex C.</p> <p>(ii) the D&R of new caseloads that have not been funded through other sources e.g. new caseloads arising in CAR from the June 2008 Libreville agreement, based on demand from the respective country governments and appraisal of the proposed intervention.</p> <p>To be eligible for receiving assistance under the MDRTSP, each country is required to fulfil the following criteria: (i) affected by conflict in the GLR (directly or indirectly); (ii) evidence of participation in the regional peace process; (iii) engaged in a broad-based security sector reform; (iv) existence of a national D&R program; (v) establishment of a suitable institutional structure; (vi) a letter of demobilization policy outlining Government commitment; and (vii) establishment of appropriate safeguards and fiduciary measures.</p>
C-2:Support to D&R Regional and Cross-cutting Activities	5.22	<p>This component will support activities related to D&R that are regional in nature and will not be covered under the country programs in order to strengthen regional, cross-border and cross-cutting activities that transcend national borders and are central to the overall success of the program. The component will focus on three themes in particular: (a) combatants on foreign soils (COFS) with a focus on analysis of the socio-political situation, communications and sensitization and capacity building of actors/institutions involved in COFS activities; (b) studies, dissemination of results and application of good practice; and (c) regional gender activities including institutionalizing gender in D&R, women associated with fighting forces, GBV and young men at risk.</p>
C-3: Technical Advisory Services, Coordination and Program Management	3.03	<p>This component will cover the costs of technical assistance to countries, the needed supplementary supervision of the D&R programs, monitoring and evaluation, coordination of the program and management of the regional partnership through financing meetings, joint partner missions, visits to capitals, communications, reporting, policy guidance, and costs associated with the small technical team to manage the program.</p>

2.2. Technical solution retained and other alternatives explored

2.2.1 Several alternatives were considered in the design of the project as reflected in the Table below:

Table 2.2: Program's alternatives considered and reasons for rejection

Alternative name	Reasons for rejection
Creation of MDRP Phase II	•Reason 1 – not before a comprehensive evaluation of the first phase
Inclusion of peace building and wider community reintegration activities	•Reason 1- not compatible with specific DDR activities that are still required in the GLR •Reason 2- close collaboration with partners involved in these activities to be tightened within MDRTSP through fostering linkages between ex-combatant reintegration activities and mainstream development programs, broader security sector reform processes and peace building activities. •Reason 3-long time and high transaction costs required for the development of such a program
Supporting country D&R programs by putting resources in the Country Trust Funds	•Reason 1 – limited ADF allocation for the concerned countries •Reason 2- loss of the regional and partnership dimensions
Supporting a stand-alone gender in conflict program	•Reason 1- such a project is under preparation (LEAP II) and has sufficient resources for the activities envisaged

2.3. Program type

Using the MDTF as an approach for financing DDR-related activities is justified on the basis that it will: (i) ensure comprehensive and well coordinated donor support to the program; (ii) facilitate the involvement of donors that might otherwise not be able to participate; (iii) minimize duplication of efforts; (iv) reduce the transaction costs for fragile states through the application of one set of implementation procedures; and (v) strengthen program ownership on the part of governments.

2.4. Program cost and financing arrangements

Total program cost is UA 16.31 million (USD 24.27 million), of which the total ADF contribution amounts to UA 14 million. The Italian, Finnish, Canadian, Norwegian and Swedish Governments have made confirmed pledges amounting to UA 2.31 million. The MDRP Secretariat has a pro-active policy on resource mobilization to secure additional resources. The allocation of the costs by component, source of financing, categories of expenditures and expenditures schedule are presented in Table 2.3 to 2.6.

Table 2.3: Cost Estimates by Component [in UA million]

Component	Foreign Exchange Cost	Local Currency Cost	Total Cost	%	%
				Foreign Exchange	Base Cost
Support to D&R Country Programs	2.88	4.31	7.19	20.0	49.4
Support to D&R Regional and Crosscutting activities	4.17	1.04	5.21	80.0	35.8
Program management, TA and Coordination	2.16	0.00	2.16	100.0	14.8
Total base cost	9.21	5.35	14.56	63.2	100
Provision for implementation contingencies	0.46	0.27	0.73	63.0	5.0
Provision for price escalation	0.64	0.38	1.02	62.7	7.0
Total Cost of Program	10.31	6.00	16.31	63.2	

Table 2.4: Sources of Finance [amounts in UA million]

Sources of Finance	Foreign Exchange (FE) Cost	Local Currency (LC) Cost	Total Cost	% Total
ADF	8.65	5.35	14.00	85.8
Other donors	1.66	0.65	2.31	14.2
Total Cost of program	10.31	6.00	16.31	100

Table 2.5: Program Cost by Expenditure Category [amounts in UA million]

Expenditure Category	FE Cost	LC Cost	Total Cost	% FE
Works	0.07	0.12	0.19	36.8
Goods	0.83	0.54	1.37	60.6
Services	3.05	0.00	3.05	100.0
Miscellaneous	3.10	4.59	7.69	40.3
Operating costs	2.16	0.10	2.26	95.6
Basic Cost	9.21	5.35	14.56	63.2
Provision for implementation contingencies	0.46	0.27	0.73	63.0
Provision for price escalation	0.64	0.38	1.02	62.7
Total	10.31	6.00	16.31	63.2

Table 2.6: Expenditure Schedule by Component [amounts in UA million]

Component	2009	2010	2011	Total
Support to D&R Country Programs	2.41	4.04	1.61	8.06
Support to D&R Regional and Crosscutting activities	1.56	2.62	1.04	5.22
Program Management, TA and Coordination	0.90	1.51	0.62	3.03
Total	4.87	8.17	3.27	16.31

2.5. Program area and target population

As mentioned in paragraph 1.1.1, the MDRTSP targets the original seven countries of the GLR with special focus on 3 fragile states (Burundi, CAR and DRC). Funding for D&R under the program will focus but not be restricted to these fragile states and Rwanda, while the other countries will benefit from regional activities such as knowledge sharing. Following the original MDRP during which 279,165 ECs were demobilized (68% of original target), preliminary figures indicate that the MDRTSP will demobilize and reintegrate about 10,000 ECs, including 1,725 female ECs. In addition, it will provide support for the repatriation of 7,300 COFS. These figures include both ex-military and members of irregular forces but exclude authors of war crimes who are not eligible for assistance. It is also estimated that 500 children and 2,000 women affected by conflicts will benefit from assistance (training, income-generating activities, psycho-social support, etc.).

2.6. Participatory processes of design and implementation

2.6.1 Given the nature of the operation (contribution to a Multi-Donor Trust Fund), and the fact that this is the continuation of an on-going program, the Bank did not undertake program formulation missions in beneficiary countries. However, it has undertaken extensive consultations in the concerned countries during the formulation of the ADF support to national DDR programs in the DRC and CAR and missions of the OSFU. It had also meetings and discussions with stakeholders including governments, donors, international and local NGOs during the MDRP Advisory Committee and Trust Fund Committee meetings to which the Bank participated since

2006. Finally, it undertook an appraisal mission to the MDRP Secretariat in May 2008, followed by an update mission in December 2008. Details are presented in Technical Annex B9.

2.6.2 The institutional arrangements for the program facilitate participation of national, regional and international stakeholders, as presented in section 4.1. Dialogue among the focal points of stakeholders will ensure regular cooperation at the technical level. The preparation of national programs involves the beneficiaries, the communities and all stakeholders at local and national levels. For the countries where programs have not yet been designed, community participatory processes will be further enhanced through the use of tools such as beneficiary opinion polls to solicit beneficiary feedback on the program implementation process and ensure that program activities are executed in a satisfactory and sustainable manner. NGOs and the private sector will also be involved in project implementation as key implementing partners, as it is the case in the DRC program in which a mobile phone network is used by a private company for the payment of cash transfers to the beneficiaries (see Annex C1).

2.7. Experience and lessons reflected in project design

2.7.1 Evaluations of MRDP undertaken so far suggest that the program performed well in Rwanda, Angola and Uganda with high target achievements and inclusions of qualitative improvement measures in their reintegration support such as vulnerability assessments, support to communities, gender specific programs and psycho-social support. In CAR and DRC the programs have performed well in quantitative terms but not so well in terms of delivery, with lack of supervision by implementing partners, limited government commitment and capacity, inflexibility of approach and interruptions of services being the main reasons.

2.7.2 The program design has benefited from lessons learnt from the implementation of Bank-funded projects, MDRP as well as experiences gained from those funded by other donors as detailed under Technical Annex B1. Based on these lessons, to enhance reintegration, the program will ensure the following: (i) *synergies with wider development activities* through a continuous mapping of these activities and signing of memoranda of understanding with organizations in charge of these activities for referral of ECs; (ii) *improved quality of training* by adapting more the training content to the target groups in question and enhancing the follow-up; (iii) *association of spouse and family at some or all stages of reintegration support by all implementing partners* right from the demobilization stage to activity choice, training, and implementation; and (iv) *encouragement of ECs participation in associations*.

2.7.3 Lessons from the Bank's portfolio in regional operations taken into consideration in the design of this program include: (i) ensuring adequate stakeholder participation in the design of the project and minimized loan conditions to enhance the project's quality-at-entry; (ii) strengthening results orientation to improve impact assessment; and (iii) encouraging simplicity of design and clear implementation arrangements.

2.7.4 The program is also informed by lessons learnt in other D&R operations executed in other regions in the 1990s (Bosnia & Herzegovina, Nicaragua, El Salvador, Mozambique, Namibia, and Ethiopia). Based on these lessons, the program

will seek to not only train ECs but also give assistance in setting up businesses (re-insertion kit and follow-up), create linkages to business associations and mainstream development initiatives. It will work closely with national programs and provide transitional services of a regional nature. Finally, it will put in a robust information management system.

2.8. Key Performance Indicators

2.8.1 The MDRTSP is expected to improve the prospects for security, peace building and economic recovery in the GLR. This impact will be monitored through the reduction in the number of internally displaced and refugees in the GLR. Outcome indicators of the program are: (i) percentage of ECs benefiting from MDRTSP integrated in community recovery and peace building activities; (ii) number of COFS assisted by the program; (iii) number of women supported; (iv) percentage of emerging caseloads supported by the MDRTSP; (v) number of D&R programs supported by MDRTSP harmonized with those supported by country trust funds; and (vi) number of satisfactory performance ratings of D&R national programs.

2.8.2 The following output indicators will be monitored throughout the lifespan of the program: number of ECs receiving reintegration assistance financed by the MDRTSP; number of new and emerging caseloads financed through the MDRTSP; number of special projects supported by type (COFS, gender, children, etc.); number of studies and reports produced and disseminated that fill knowledge gaps on D&R; number of female ECs and followers of armed groups assisted; impact assessment of MDRP realized; and number of joint supervision missions, coordination meetings and training activities financed by the MDRTSP.

III – PROGRAM FEASIBILITY

3.1. Economic and financial performance

3.1.1 The economic and financial performance of the program is difficult to reasonably estimate ex-ante. However, experience from the original MDRP and other ongoing DDR activities suggest that the program will be able to: (i) spur local economic development in the target countries through the economic reintegration activities to be supported under the program; (ii) increase both domestic and export trade volume due to the restoration of the free movement of goods and persons within and between countries; and (iii) facilitate increase in public expenditures targeting the economic and social sectors.

3.1.2 The program is designed to facilitate and expedite the D&R process for about 10,000 ECs who will be transformed into productive civilians, offering them relevant training that will foster economic recovery making them positive economic actors and injecting financial resources into their respective communities. In addition, the return of such a large percentage of the labor force to the civilian economy is expected to inject significant human resource capacity into the labor market. The anticipated reduction in these defense expenditures will expedite economic recovery and allow the targeted governments to restore expenditure levels in the social sectors in line with their poverty reduction strategies. Furthermore, the regional framework will also optimize the use of donor funds for DDR financing by reducing transaction costs.

Experience from the MDRP suggests that over 90% of DDR financing in the GLR was channeled through the original MDRP framework.

3.2. Environmental and Social impacts

Environment

3.2.1. In accordance with the Bank's environment and social safeguard policies, the program is classified as Category 2. The program supports a broad range of activities that include demobilization, social and economic reintegration, advisory services, communication and sensitization, and program management which are not expected to have negative environmental or social impact. Furthermore, the program will not finance the construction or rehabilitation of infrastructure. Environmental mitigation measures under the program include the screening and monitoring of sub-projects financed under the reintegration component for environmental impact according to procedures acceptable to the World Bank and the Bank. Screening mechanisms have been developed for the original MDRP and will be used under the new program. They are tailored to the small-scale nature of income-generating activities, examining the potential for impacts and identifying any mitigation measures. In case of wider negative environmental impact actions will be agreed upon with the relevant local administrations. The focus of screening will be on health, water and sanitation, natural resource exploitation, erosion, pesticide use and other safeguard-related issues. The guidelines and self-assessment tools proposed for the program are detailed under Technical Annex B8.

Climate Change

3.2.2. It is envisaged that the program will in the long term have a positive impact on climate change adaptation due to the peace and security that will be restored. The economic reintegration activities are not expected to generate adverse effects on the climate. In any case, the World Bank environmental safeguards measures will be observed at all times.

Gender

3.2.3 With the recognition that gender aspects were not adequately addressed within the MDRP, the **Learning for Equality, Access and Peace (LEAP)** Program was launched in August 2007 under the original MDRP. It is aimed at strengthening the impact of MDRP-financed programs from a gender perspective. LEAP has provided a mechanism through which to assess the capacities of D&R national implementing agencies to mainstream gender into National Programs, to identify gaps and challenges to gender mainstreaming and to build the capacity at national levels to address these issues.

3.2.4 During the transition, there is an opportunity for the MDRP to do much more on gender. However, given the realization that issues related to gender equality in post-conflict situations go far beyond D&R, the MDRP Secretariat decided to create a stand-alone LEAP II fund that focuses exclusively on gender and conflict. Denmark has pledged \$2.2 million to the fund and Canada is interested to contribute as well.

3.2.5 MDRTSP will continue to ensure that gender issues are mainstreamed in D&R activities in strong collaboration with LEAP. Issues to be addressed include many female followers of armed groups that fail to be recognized as combatants or do not want to be recognized as such, and therefore do not qualify for demobilization and

reintegration support. However they are a distinct vulnerable group which needs to be supported. The program will ensure that both ex-combatants and communities receive more psycho-social support and sensitization on pertinent issues such as stigma, effects of war–trauma and prevention of gender-based violence. Finally, family members will be encouraged to participate in reintegration support to make them more sustainable.

Social

3.2.6 The program will consolidate the achievements of the MDRP by enhancing the quality of D&R activities with particular emphasis on cross-cutting issues such as gender, disability and links to broader community recovery and peace-building activities. The aim is to help 10,000 ECs move away from the roles and positions that defined them during the conflict to identifying themselves as citizens and members of the local communities. This includes providing alternatives for combatants and their dependents in terms of access to viable livelihoods and social and economic opportunities for the future. It is envisaged that 3,725 women associated with armed forces and/or victims of conflicts will be assisted to engage in income generating activities and benefit from psychosocial assistance. The encouragement of community participation in the program’s activities will enhance positive social equity outcomes through: (i) reducing isolation and improving access to economic opportunities for the ex-combatants; and (ii) decreasing social exclusion of vulnerable groups such as women, children and young men.

3.2.7 The private sector is a key actor in post-conflict circumstances in providing income generation, sustainable job creation and recruitment, as well as vocational training. Therefore, the program’s emphasis on partnerships between the local government agencies, civil society and the private sector will be crucial in strengthening local social capital and supporting community-based economic development interventions that will improve the quality of life of the local population in general. Other linkages to the private sector, such as CELPAY, a private operator specialising in payment of ECs by cellular phone in the DRC, are likely to merit expansion into other countries or offer wider opportunities.

Involuntary resettlement

3.2.8 The program is not expected to entail any involuntary resettlement. In fact the program is likely to allow for the return of displaced indigenous populations, such as the Pygmies, to return to their natural habitat.

IV – IMPLEMENTATION

4.1. Implementation arrangements

Institutional

4.1.1 The institutional framework governing the MDTF for the MDRTSP will be similar to the one used under the original MDRP. As explained in Technical Annex B3, this framework has been found to be successful in addressing the complexities of implementing D&R operations. The **Advisory Committee (AC)** is comprised of all donors and partners of the transitional program, including client governments and key actors such as the UN partners, and other regional bodies such as the African Union’s Peace and Security Commission. This group will meet on demand but not less than

once a year to share information and discuss strategic directions, links to other processes and ways to strengthen partnerships and coordination. The **Trust Fund Committee (TFC)** is comprised of those donors to the Trust Fund as well as those that contributed to the original MDRP as ex-officio members. This group will meet every six months or as required to make strategic decisions about allocations from the transitional MDTF and set work plan priorities. Whilst discussions at this level will focus on regional issues, recommendations can also be made vis-à-vis the national programs to ensure regional coherence and attention to cross-border issues.

4.1.2 The existing **Trust Fund Secretariat (TFS)** under the original MDRP will be restructured and have its mandate renewed for the purpose of overall coordination and support of program management. The secretariat will continue to be housed in the World Bank and will specifically be responsible to support Bank processing and supervision of national project operations, review and processing of special projects, provision of technical support to operations, recruitment and conduct of analytical and advisory work and training, communications with donors and other partners, regular monitoring of and reporting on project and overall program performance, overseeing the management of the Trust Fund, and organization and facilitation of AC and TFC meetings. While the TFS would be located in Washington, to help ensure close linkages with regional management and key Bank departments regarding project approval and trust fund administration, selected staff will be based in the region to ensure closer program policy and operational support. The decision to house the TFS at the World Bank is justified on the basis of: (i) continuity; (ii) existing capacity to leverage additional resources for the MDTF; (iii) existing capacity for analytical work in the area; (iii) the institution's demonstrated experience in DDR activities across the continent and in management of MDTFs; and (iv) its position as the major financier of MDRP as well as MDRTSP through parallel financing of national programs.

4.1.3 In general, the program implementation units of the eligible national governments will be responsible for the overall management of national programs. The program will reinforce the units with competitively recruited technical, financial and procurement personnel and international consultants, where necessary. This reinforcement will help in avoiding institutional weaknesses associated with political interference, and irregularities in financial management and procurement.

4.1.4 UN agencies and other organizations will act as executing agencies and grant recipients for special projects. The World Bank will have responsibility to execute regional activities and program management under the Trust Fund.

4.1.5 Field Offices in DRC, Rwanda and Uganda will ensure Bank's participation in meetings that are regularly organized in countries by donors on national programs. They will also participate in regular supervision missions of the TFS.

Procurement

4.1.6 All procurement of goods and works and acquisition of consulting services financed by the MDTF will be in accordance with the World Bank's *Guidelines for Procurement under IBRD Loans and IDA Credits* published in January 1995, as revised periodically or, as appropriate, *Guidelines for the Selection of Consultants by World Bank Borrowers* published in 1997, as revised periodically, using the relevant World Bank Standard Bidding Documents.

4.1.7 The standard procurement and financial management procedures to be used for project implementation will be spelled out in the grant agreements to be signed between the World Bank as MDTF administrator and donors and the recipients. These agreements will outline the activities, cost categories and level of expenses to be financed.

Disbursement

4.1.8 The first disbursement of ADF resources shall be subject to effectiveness of the agreement and the presentation to the Fund of the 2009 budget and an annual action plan. It is proposed to disburse ADF resources in two tranches of UA 7 million each. Before the second disbursement, the Technical Secretariat shall submit, as an annex to the request for disbursement, and to the satisfaction of the Bank: (i) the most recent quarterly report of activities; (ii) the most recent audit reports of the trust fund; (iii) the annual budget of the program; (iv) the annual action plan of the program; and (v) evidence that these documents have been approved by the Trust Fund Committee of the program.

Financial Management

4.1.9 All contributions and income received and disbursements made by the MDTF will be accounted for as a single purpose Trust Fund in accordance with World Bank procedures governing Trust Funds. The World Bank will maintain separate records and ledger accounts in respect of the MDTF resources and will be kept these separate and apart from the funds of the IBRD and IDA.

4.1.10 In terms of reporting, the World Bank will provide each Donor with quarterly reports on the activities financed and quarterly unaudited financial statements for the MDTF. The World Bank will also provide the ADF and other participating donors annually with a management assertion together with an attestation by the World Bank's external auditors concerning the adequacy of internal controls over financial reporting for trust funds as a whole. The costs of such reports shall be borne by the World Bank. Within six months of the completion of the activities financed by the MDTF, the World Bank will prepare a final completion report of activities undertaken, results achieved and an unaudited statement of resources expensed under the MDTF.

4.1.11 In addition, the World Bank shall ensure that the financial statements for the Trust Fund be audited by its external auditors at least once every two years after the inception of the Program (Interim Audit) and at the completion of the Program (Completion Audit). The cost of the Interim and Completion Audits will be charged to the Trust Fund. A copy of the auditors' report will be forwarded to the Donors, including the ADF. In the event that the completion audit is expected within 12 months of a scheduled interim audit, the preparation of this interim audit will not be necessary.

4.2. Monitoring

4.2.1 In view of its scope, financial requirements and regional dimension, the program will require intensive supervision. The TFS will provide continuous support and supervision of program activities. Staff covering the key fiduciary areas (financial management, procurement) will be permanent members of supervision teams and

provide close support. Besides the regular supervision by the TFS, joint supervision missions including partner donors will be undertaken at least once a year.

4.2.2 As done under the original MDRP, the TFS will be in charge of the overall M&E for the program. This information will be complemented by those produced at national level since all national programs have an M&E system that has proven to be performing well. Additional information will be provided by implementation partners, OCHA for tracking internally displaced people and ADB/WB country information.

4.2.3 The program will continue to support the use of participatory community monitoring tools such as beneficiary opinion polls, tracer studies, verification surveys, community dynamics studies and beneficiary assessments, which will in turn solicit beneficiary feedback on the program implementation process and ensure that program activities are executed in a satisfactory and sustainable manner. In addition, an independent evaluation of the original MDRP will be carried out with a particular focus on the timeliness and quality of assistance provided to ex-combatants, the impact on the allocation of national budgetary resources and the contribution to the consolidation of regional and national stability. The ADF will in collaboration with the Technical Secretariat participate in the monitoring process during regular supervisions in targeted countries. The field offices of the Bank will also be actively involved in supervision activities, leading to better visibility for the Bank in the program.

4.3. Governance

4.3.1 As the continuation of the conflicts taking place in any given country's territory depends on the actions of neighboring governments as well as of armed groups that ignore state boundaries, a long-term strategy to restore security and promote good governance in the region is essential. This program forms an integral part of that process as it seeks to complement regional and national efforts towards peace, security and stability in the GLR.

4.3.2 The fiduciary and safeguard arrangements proposed in the program will also help promote good governance and accountability especially as it relates to addressing issues such as: (i) fraud, corruption or misprocurement especially in national programs given the fragile regulatory and fiduciaries systems in these post-conflict countries, as experienced in the DRC with financing of ineligible expenses that had to be reimbursed by the Government; (ii) ex-combatants returning to conflict after benefiting from the program; and (iii) ex-combatants trying to be demobilized for a second time.

4.4. Sustainability

The commitment of national governments to create an environment conducive to DDR and to attract the necessary support from the international community throughout program design and implementation is pivotal to the success and sustainability of program activities. In addition, the proposed linkages with broader peace building and security sector reforms will be critical in the sustainability of the program's achievements. Other important elements ensuring project sustainability at the activity level relates to: (i) the involvement of the communities in the design and implementation of re-integration activities for the ECs; (ii) the capacity building activities to be provided as part of the program to address the complex institutional

and political environment under which the program activities will be implemented; and (iii) the linking of the re-integration activities with existing development programs (e.g., ECs becoming members of existing development associations, etc).

4.5. Risk management

Risk	Risk Rating	Response and Mitigation	Risk Rating with mitigation
Strategic level			
Possible relapse into regional conflict	Moderate	Close monitoring of peace agreements by donors and dialogue with the concerned governments; clear exit strategies defined for individual projects in event on-going work impractical or ineffective	Moderate
Localized conflict/violence	High	Continued opportunities offered for D&R operations supported by viable political agreements will be a means to prevent further violence. Program links to broader SSR and political processes will also support incentives toward broader peace. However, the program alone cannot guarantee an end to this risk.	High
Activity level:			
Lack of coordination at the sub-regional level	High	Despite creation of individual national programs with parallel financing, maintenance of MDRP Advisory group, cross-border initiatives and national coordination structures will encourage coordination and linkages. In addition, greater support for aid harmonization efforts shall help the new program.	Moderate
Capacity constraints of executing agencies for Component I	High	The program is designed specifically to address this risk through the provision of continued intensive supervisory and technical support; drawing on lessons from the MDRP on fiduciary and technical assistance.	Moderate
Lack of adequate economic opportunities to ensure desired reintegration results	High	Application of lessons learned from MDRP on reintegration, strong emphasis on communication to ensure expectations of beneficiaries, communities or public at large remain realistic, and ensuring stronger linkages with existing or new national initiatives for economic recovery and poverty reduction	Moderate
Fiduciary			
Weak capacities, regulatory framework or poor incentives lead delays in implementation or misuse of resources	High	Stricter application of requirement for autonomous fiduciary agents and enhanced fiduciary management oversight from country-based staff supported, and increased emphasis by World Bank on anti-corruption.	Moderate
Short-fall in program financing	Moderate	New Trust Fund regulations will not allow W. Bank to over commit TF resources, and given that approximately 80% of required funding is already pledged, this is no longer considered major risk.	Low

4.6. Knowledge Building

The program will make a deliberate effort to support the generation of knowledge and documentation of good practices to facilitate organizational learning and knowledge sharing. Under Component II of the project, the MDTF will dedicate resources for research on D&R and related activities with a focus on the impact of reintegration, effective approaches to dealing with special needs groups, national

ownership, implementation arrangements, etc. In addition, the program will pursue major development communication objectives in this area. These will include: (i) raising awareness and the understanding of stakeholders on the cross-cutting and cross-border issues that transcend national borders; (ii) advocating and promoting good governance and accountability (i.e., promote transparency by engaging CBOs and NGOs, media, etc.); and (iii) building communication capacity in support of project implementation. Due to the complex nature of the D&R activities in the region, a clear and simple communication strategy will be adopted to guide the dissemination, application of findings, and integration of lessons learned into ongoing operations. Opportunities for further Economic Sector Work in this complex area will be created.

V. LEGAL INSTRUMENT AND AUTHORITY

5.1 *Legal instrument*

The program will be financed with an ADF grant under the Regional Operations envelope, as a Regional Public Good.

5.2 *Conditions Associated with Bank Intervention*

The protocol agreement will become effective in accordance with the provisions of the General Conditions Applicable to Protocol Agreements relating to ADF activities. It should be noted that the establishment of the MDTF for the MDRTSP by the World Bank has been completed.

Condition for Effectiveness

The condition for effectiveness is the signing of the Protocol of Agreement between ADF and the WB.

Conditions Precedent to first Disbursement

The first disbursement of UA 7 million shall be subject to effectiveness of the agreement and the presentation to the Fund of the 2009 budget and the annual action plan integrating complementary activities aimed at strengthening the implementation strategy in the targeted countries.

Conditions Precedent to the second Disbursement

Before the second disbursement of UA 7 million, the Technical Secretariat shall submit, as an annex to the request for disbursement, and to the satisfaction of the Bank: (i) the most recent annual report of activities; (ii) the most recent audit reports of the trust fund; (iii) the annual budget of the program; (iv) the annual action plan of the program; and (v) evidence that these documents have been approved by the Trust Fund Committee of the program.

5.3 *Compliance with Bank Policies*

The program complies with the Bank's sector policies and strategies in gender, health, education, fragile states as well as with guidelines for ADF financing of regional operations.

VI. RECOMMENDATION

Management recommends that the Board of Directors approves the proposal for a grant, in the amount of UA 14 million, to participate in a Trust Fund managed by the World Bank (MDRP Secretariat) in favor of eligible countries of the GLR, to help finance the action plan (2009-2011) of the said program, in accordance with the conditions stipulated in this report.

Appendix I. Selected Comparative Socio-Economic Indicators for the Seven MDRTSP Target Countries

<i>Country</i>	GNP per capita US\$	Poverty Rate %	Public Health Expenditure (% of GDP)	Education Expenditure (% of GDP)	Life Expectancy at Birth	Adult Illiteracy Rate	HDI	Rank
Angola	1980	68.0	2.1	2.4	42.7	32.6	0.439	162
Burundi	100	67.4	1.0	5.1	49.6	40.7	0.409	167
DRC	130	70.0	1.5	4.5	46.5	32.8	0.398	168
Congo	950	26.2	0.9	1.9	55.3	13.4	0.540	139
Uganda	300	35	2.1	5.2	51.5	33.2	0.501	154
Rwanda	250	51.2	4.1	3.8	46.2	25.3	0.450	161
CAR	360	63.9	1.5	1.4	44.7	43.4	0.368	171
Africa	1071	34.3	2.4	4.5	54.2	33.3	0.486	-
Developing Countries	2000	32.0	1.8	3.9	65.4	26.6	0.694	-
Developed Countries	36487	20.0	6.3	5.9	76.5	1.2	0.911	-

Source: ADB- 2008

Appendix II: Program Financing under the Original MDRP

	In Million USD					In Million UA				
	IDA	MDTF	Govt	Bilat	Total	IDA	MDTF	Govt	Bilater	Total
National Programs	199	137.33	7.57	43.11	387.01	133.74	92.29	5.09	28.97	260.09
• Angola	36.32	29.81	3.39	10.47	67.8	24.41	20.03	2.28	7.04	45.57
• Burundi	33.28	25.74	0	0	48.04	22.37	17.30	0.00	0.00	32.29
• ROC	0	10.47	0	2.71	13.18	0.00	7.04	0.00	1.82	8.86
• RDC	100.21	60.11	1.35	14.78	175.52	67.35	40.40	0.91	9.93	117.96
• Rwanda	29.19	8.62	2.83	10.1	40.77	19.62	5.79	1.90	6.79	27.40
• Uganda	0	2.59	0	5.05	7.64	0.00	1.74	0.00	3.39	5.13
• CAR	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00
Special projects	1.17	36.77	0	4.31	42.25	0.79	24.71	0.00	2.90	28.39
Regional Projects	0	1.42	0	0	1.42	0.00	0.95	0.00	0.00	0.95
Program Management	1.97	17.06	0	0	19.03	1.32	11.47	0.00	0.00	12.79
Total	202.14	192.58	7.57	47.42	449.71	135.85	129.42	5.09	31.87	302.22

Source of Financing of MDTF under the Original MDRP

Source	Amount (UA)	Amount (US\$)
Belgium	7,39	10,99
Canada	13,09	19,48
Denmark	2,71	4,03
European Commission	15,30	22,76
Finland	0,91	1,36
France	1,40	2,08
Germany	9,40	13,99
Ireland	0,44	0,66
Italy	1,15	1,71
Netherlands	84,57	125,83
Norway	4,62	6,88
Sweden	5,55	8,26
United Kingdom	23,52	35,00
Total	170,05	253,036

Appendix III: Overview of MDRP Program Status

	Project Closing Date	Activity	Beneficiaries supported	Target Projected	% of Achievement
Angola	12/31/08	Demobilization	97,390	138,000	71 %
		Reinsertion	62,716	62,716	100 %
		Reintegration	166,662	166,662	100 %
Burundi**	12/31/08	Demobilization	26,283	55,000	48 %
		Reinsertion	23,022	55,000	42 %
		Reintegration	21,928	55,000	40 %
CAR	02/28/07	Demobilization	7,556	7,565	100 %
		Reinsertion	7,533	7,565	100 %
		Reintegration	7,556	7,565	100 %
DRC	TF : 03/30/08 IDA : additional Financing procured	Demobilization	102,148	150,000	68 %
		Reinsertion	102,013	120,000	85 %
		Reintegration	47,043	90,000	52 %
RoC	02/28/07	Demobilization	0	11,000	0 %
		Reinsertion	0	11,000	0 %
		Reintegration	13,377	30,000	45 %
Rwanda	12/31/08	Demobilization	29,532	36,000	82 %
		Reinsertion	44,269	47,400	93 %
		Reintegration	43,594	50,000	87 %
Uganda	06/30/07	Demobilization	16,256	15,310	106 %
		Reinsertion	14,816	15,310	97 %
		Reintegration			
MDRP Total		Demobilization	279,165	412,875	68 %
		Reinsertion	254,369	318,991	80 %
		Reintegration	300,160	399,227	75 %

Appendix 4 Map of the GLR



This map has been drawn by the African Development Bank Group for the exclusive use of the readers of this report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of the territory nor any approval or acceptance of these borders.

MULTI-COUNTRY DEMOBILIZATION AND REINTEGRATION TRANSITIONAL SUPPORT PROGRAM (MDRTSP) TECHNICAL DOCUMENTS

ANNEX A: Countries' development agenda, sector brief and donor support

Background¹

1. The Great Lakes Region (GLR) of the mid to late 1990s was epitomized by genocide and armed conflict. During this time over 10 million persons were displaced and over 3 million persons died in the former Zaire alone – making this the most deadly conflict since World War II. After the signing of the Lusaka (1999) and Arusha (2000) accords and the various bi-lateral and multi-lateral peace agreements since, there has been a gradual trend towards greater stability. Indeed, the current environment in the sub-region in certain parts is characterized by remarkable strides in the recovery and reconstruction of states, societies, and national economies. For the most part, the region has steadily entered the “post-conflict” phase, even though signs of a transition to economic recovery have yet to find solid footing, and violent conflicts still confront significant parts of some of the states, notably eastern Democratic Republic of Congo (DRC). The core states of the GLR—Burundi, the DRC, Rwanda, and Uganda—have witnessed improvements in peace and security due to political settlements among former foes.

2. In the contiguous states--Angola, the Central African Republic (CAR), and the Republic of the Congo (RoC)—previous widespread challenges to central authorities have gradually weakened. But the lessening of violent conflicts belies formidable obstacles to building durable peace, stable governance structures, and sound economic institutions. Armed insurgencies and rebellions in Burundi, Eastern Congo, and Uganda continue to challenge legitimate authorities, exacting a toll on civilians and impeding the return to economic normalcy. Furthermore, although peace agreements ended the spates of violent conflicts in the GLR, the resulting political compromises still exhibit signs of fragility as elites jostle to adapt to new and untested rules of competition.

3. These regional security trends form a large part of the transitional uncertainties between conflict and recovery in which regional actors are still refining and defining post-conflict strategies and institutions. Some states are further along in rebuilding institutions of order, participation, and prosperity, but others face overwhelming odds in meeting these objectives. Given this state of fragility as reflected by the recent escalation of conflict in the Eastern DRC (see box A1), there are continuing needs for demobilization and reintegration – hence the call for both national programs and a regional facility.

4. The Multi-Country Demobilization and Reintegration Program (MDRP) was launched in 2002 as a multi-agency effort supporting demobilization and reintegration of ex-combatants in the GLR. After approximately seven years of operating, the MDRP will come to a close in June 2009. Exhaustion of regional resources from most of the donors and priorities given to comprehensive Sector Security Reforms (for which the Bank has no mandate according to OECD-DAC principles) by some of the fourteen current MDRP donor

¹ Source: The World Bank

partners means the program and trust fund cannot be extended beyond that date. Nonetheless, with a view to consolidating peace in the sub-region the Bank and multi-donor interest in supporting D&R programs remains high.

Box A1: Recent Escalation of Armed Conflict in DRC

The recent escalation in armed conflict in eastern DRC demonstrates the fragility of the country's transition and the weakness of the state to address together with its international partners deep-seated fissures which continue to divide the sub-region. Despite all the peace agreements, elections and attempts at stabilization through reconstruction, parts of North and South Kivu provinces of eastern DRC have never been entirely conflict free since the 2006 elections. Hostilities resumed in August 2008 and persist to this day. It is important to note that, although the current conflict obviously has a potential to spread, it currently only affects two territories of one province (North Kivu) and even smaller areas of two others (South Kivu and Ituri) where no D&R activities could take place before the combats stop and the eligibility criteria are met, including signing of peace agreement. The enormous plus is that the majority of the Congolese population lives in peace and in turn the major part of DRC is accessible for full-scale development, including on-going D&R activities. However, the danger is that the 'normalization' in vast tracts of DRC has resulted in the neglect of an armed conflict continuing, largely un-abated, far from Kinshasa, with massive humanitarian consequences.

5. Over time, the MDRP has become the largest program of its kind in the world. Some notable achievements as of end December 2008 include the following: **279,165** ex-combatants have been demobilized in the Great Lakes Region; **254,369** ex-combatants have received reinsertion support; and **300,160** ex-combatants have been provided with training and/or reintegration grants.

6. However, as the regional MDRP closes down in 2009 and single country programs take off, there is a recognized need to maintain a regional facility to continue to attend to the levels of technical support to ongoing D&R operations and address cross-border issues, coordinate D&R operational and knowledge management activities at the regional level, fund quality enhancement, cross-cutting and cross-border activities not financed through national programs and respond to emerging caseloads and demands from client countries not covered through single country trust funds. In this regard, the establishment of a transitional regional multi donor trust fund (MDTF) for the Multi Country Demobilization and Reintegration Transitional Support Program (MDRTSP) by early calendar year 2009 will ensure an overlap in activities, including continued technical support to country clients.

7. Countries in the GLR and their development partners and in particular the World Bank have approached the Bank seeking support to D&R programs. The Bank has always responded positively but could not participate in MDTFs due to earlier legal and policy constraints. With the lifting of the rule of origin and the recent adoption of the Bank Strategy on Enhanced Engagement in Fragile States that makes provision for Bank's participation in MDTFs emphasizing on regional aspects of fragility, the Bank's participation is now possible.

8. Since its pledge to the program in December 2007, the Bank became a member of the original MDRP Trust Fund Committee, and has been providing technical advice in the implementation of the program. Moreover, as the premier development Bank for Africa, the Bank's added value will include: (i) an extensive experience in reintegration projects in post-conflict countries across the continent; (ii) established relationships and linkages with regional bodies such as the AU critical to restoring peace and security in the GLR; (iii) an extensive experience with multinational projects in Africa; and (vi) its catalytic role in mobilizing additional donor resources.

The regional development agenda

9. Unlike most of Africa's sub-regions, the GLR has had problems constructing meaningful multilateral institutions for security and development largely because of the presence of weak states. More recently, however, Burundi, the DRC, and Rwanda tried to revive the CEPGL (*Communauté économique des Pays des Grands Lacs*) in April 2007. Previously the sub-regional institution for integration, the CEPGL collapsed in the mid-1990s when civil wars engulfed its members. With a 50-million Euro grant from the European Union, the new CEPGL intends to focus on reviving its three institutions-- the Economic and Development Bank of Great Lakes countries, the Energy of Great Lakes, both based in the DRC; and the Institute of Agricultural Research and Zoology in Burundi. The three countries have expressed hope that the revived organization would open vistas for expansion into the areas of peace and security. In the short-to-medium term, however, it is unlikely that the CEPGL will have the ability to be a decisive actor on the security front in light of the persistence of suspicions among the three states. Similarly, although Burundi and Rwanda have been admitted into the East Africa Cooperation (EAC), the latter's medium role in contributing to conflict resolution and security in the GLR will be minimal.

10. In another multilateral initiative, the UN initiated a comprehensive multilateral process billed as the International Conference on the Great Lakes region that embraced 11 regional states (Angola, Burundi, Rwanda, Uganda, Kenya, Sudan, Tanzania, DRC, CAR, and Zambia). In December 2006, these states signed a Security, Stability, and Development Pact in Nairobi, laying the foundations for an incipient regional framework on security and development. In an innovative consultative process leading up to the signing of the Pact, regional states tried to include multiple stakeholders in debates about peace and security. But although it has been hailed as transforming the GLR into a haven for peace, stability, and shared development, to date only seven member states have ratified the Pact, with eight needed for ratification. Moreover, there is skepticism about the near term ability of this group of nations to muster the will and capacity to implement a raft of security and economic programs.

11. The program covers seven countries of the GLR, namely, Angola, Central African Republic (CAR), Burundi, Democratic Republic of Congo (DRC), Republic of Congo (RoC), Rwanda and Uganda, with a special focus on fragile states, i.e. Burundi, CAR and DRC. The poverty reduction strategies of all countries have one or more of the following pillars: the reinforcement of security and stabilization of peace, good governance and regional integration. Although the Bank has no specific strategy for the GLR its programming documents for the majority of the countries in question clearly acknowledges that good governance and the consolidation of peace and security are priorities which are pillars in the Country Strategy Papers (CSP) of Burundi, CAR and DRC and Uganda and RoC.

12. The MDRTSP is fully consistent with the Bank's approaches to support fragile states and promote regional integration as spelt out in the Bank's Strategy for Enhanced Engagement in Fragile States and the Operational Framework for Regional Operations which aims to foster regional approaches to post-conflict development and commits the Bank to mainstream gender equality concerns into its operations in fragile and post-conflict states. It is also fully consistent with the Principles of Good International Engagement in Fragile States and Situations that complement the 2005 Paris Declaration on Aid Effectiveness and the 2008 commitments agreed by donors and partner countries on addressing fragility and conflicts in the Accra Action Agenda (AAA). More concretely, the AAA acknowledges that donor

support to address peace and state building is crucial in alleviating poverty and facilitating progress towards the Millennium Development Goals.

13. The program is also in line with the criteria for cost sharing exemption when financing eligible Regional Public Goods (RPGs) approved by the Committee on Development Effectiveness (CODE) in November 2008 as follows:

- (i) *public interest*: the program will contribute to peace, stability, and ending fragility in the GLR, which is a prerequisite for socio-economic recovery and development;
- (ii) *non-excludability*: the sustainable reintegration of ex-combatants leading to peace and stability in the targeted countries of the GLR (Angola, Burundi, CAR, DRC, RoC, Rwanda and Uganda) who are at different stages of reintegration of ex-combatants will benefit all countries in the region, including non participating bordering countries like Zambia, Tanzania, etc. that will receive less refugees and migrants for example, and enjoy increased trade and cross-border exchanges;
- (iii) *multi-country involvement*: recognizing the multi-national dimension to restoring peace and security in the region, all the participating 7 countries have validated and endorsed the MDRP as the implementation framework for DDR activities in the region;
- (iv) *catalytic role*: ADF support to MDRP will enhance further leveraging of support from other development partners. Other potential funders are Italy, Finland, Norway, and Denmark. This program will also help scale-up national reintegration activities in the sub-region, with a view to having sustainable linkages with ongoing national development and reform programs; and
- (v) *regional cooperation framework*: the MDRP provides a unique forum among the international community and MDRP stakeholders to discuss national programs and their inter-linkages; strengthen open communications, coordination and collaboration of actors involved in demobilization and reintegration activities; facilitate discussion on sensitive cross-border issues such as combatants on foreign soil; allow for cross cutting issues to be addressed (e.g. the creation of a cross-country gender program); and promote learning and cross-fertilization across countries.

The sector

14. The MDRP is embedded in the 2002-2009 comprehensive strategy for disarmament, demobilization and reintegration (DDR) activities in the Great Lakes region of Central Africa, approved by all seven participating countries. The Multi-Country Demobilization and Reintegration Program (MDRP), which operationalizes the strategy by outlining measures to structure and channel international assistance in support of efforts that assist ex-combatants to return to peaceful, sustainable livelihoods.

15. The objective of this strategy is to enhance the prospects for stabilization and recovery in the region. The strategy's main premise is that the disarmament, demobilization and reintegration of ex-combatants is necessary for establishing peace and restoring security, which are in turn pre-conditions for sustainable growth and poverty reduction.

16. The development objective of the MDRTSP is consistent with the original goal of the MDRP set out in 2002, that is to improve the prospects for peace building and economic

recovery in the Great Lakes Region (GLR) by financing demobilization and reintegration (D&R) related activities targeting 350,000 combatants. The specific objective of the proposed program is to facilitate the effective reintegration of ex-combatants in the GLR during the transition period.

Financing and Donor Coordination

17. The original MDRP and now the MDRTSP is designed on the basic premise that no single donor or agency can address the complexity of DDR issues in the region. From the outset, therefore, interested donor and agency partners collaborated closely to develop a consistent strategy and design a harmonized multi-country program.

18. This proposal of a transitional support program is based on discussions held during the last Trust Fund Committee (TFC) meeting of MDRP donors that took place in Paris in May 2008 during which 12 of 14 TFC member countries, including the Bank, participated. Direct complementarities and synergies have been established between this project and other national DDR and security sector reform programs. In this regard, collaboration with bilateral donors is vital. Donors contributed to the original MDRP as shown in the Table A1 below:

Table A1: Source of Financing of MDTF under the Original MDRP

Source	Amount in Mio UA	Amount in Mio US\$
Belgium	7,39	10,99
Canada	13,09	19,48
Denmark	2,71	4,03
European Commission	15,30	22,76
Finland	0,91	1,36
France	1,40	2,08
Germany	9,40	13,99
Ireland	0,44	0,66
Italy	1,15	1,71
Netherlands	84,57	125,83
Norway	4,62	6,88
Sweden	5,55	8,26
United Kingdom	23,52	35,00
Total	170,05	253,036

19. Besides the seven recipient Governments and the 13 donors, MDRP is a partner of more than 30 agencies and organizations active in the GLR, including EU, UN agencies (UNICEF, UN-DPKO, MONUC, ONUB, UNDP, UNIFEM, UNHCR) and NGOs (CARE, IFESH, IRC, Red Cross, Save the Children Fund, etc.).

ANNEX B1: Lessons Learnt

Table B1.1: Lessons Learned and Reflected in Project Design

Project	Intervention Areas	Lessons Learnt	Remarks on how lessons are mainstreamed into the MDRTSP
<p><i>Bosnia & Herzegovina: Emergency Demobilization & Reintegration Project</i> (World Bank) 1996-1999 (Completed) US\$ 7.5 million</p>	<p>- Capacity building of employment offices - Counseling and job-finding for demobilized soldiers - Education & retraining services for demobilized soldiers - Technical Assistance</p>	<p>(i) The soldiers were already demobilized and the project concentrated mostly on reintegration which did not promote stability as much as anticipated; (ii) The project failed to promote economic growth but achieved a worthwhile re-tooling of the skills of ex-combatants to enter changed market conditions but touched only 1% of the unemployed; (iii) The project worked with a PIU and did not take care sufficient care of an exit strategy and help governments and beneficiaries to move towards normalcy; (iv) Limited information was gathered and it was not shared between geographically distinct program areas; (v) Counseling was too narrowly focused on job search</p>	<p>(i) The program will address all aspects of D&R and will also address aspects of the broader regional peace and security agenda and therefore make a deeper impact on creating stability; (ii) The program will seek to not only train ex-combatants but also give assistance in setting up business (re-insertion kit and follow-up) and will create linkages to business associations and mainstream development initiatives. (iii) The program will work closely with national programs and provide transitional services of a regional nature; (iv) The MDRP has an excellent information management system and this will be utilized and enhanced. (v) Special emphasis will be placed on appropriate, expanded and quality improved counselling of ex-combatants and communities.</p>
<p><i>MDRP (World Bank) Ongoing</i> 2002-2009 US\$ 280,644,291 Multi-Donor Trust Fund</p>	<p>Demobilisation, reinsertion and reintegration support to ex-combatants and their dependents in the GLR Regional activities Technical support</p>	<p>(i) <i>Synergies with wider development activities:</i> the short-term approach to reintegration in the original MDRP fell short when other long-term development initiatives did not come on line as expected. (ii) <i>Quality of training and follow-up:</i> these aspects were quite weak (iii) <i>Strong encouragement of spouse and family participation at some or all stages of reintegration support (activity choice, training, and implementation) by all implementing partners:</i> This has been shown to increase the chances of their sustainability, but spousal involvement in some countries has been low. (iv) <i>Encouragement of ex-combatant participation in associations</i> as an important means to social reintegration and economic security. They are also another possible means of reinforcing sustainability, and mainstreaming reintegration support, since associations can also apply for support via other development programs and initiatives;</p>	<p>(i) The program will ensure maximum exploitation of all possible synergies by continuous mapping of wider national development activities that exist or are coming on line, in particular ADF operations and dovetailing the program's transitional reintegration support with long-term global development assistance through MOUs to be signed with the implementing organizations in charge of these programs; (ii) Efforts will also be made to ensure that training content is better adapted to the target groups in question; some combatants have had little or no schooling and need more basic skills and a different kind of follow-up to increase their chances of success at their chosen reintegration activity; (iii) The program will involve spouses and family right the demobilization stage; (iv) The program will link ex-combatants with existing associations; (v) A peer-learning mechanism for ex-combatants could be a major means of increasing the chances for success in reintegration projects. The program will continue, through the leadership of</p>

		<ul style="list-style-type: none"> (v) <i>Establish “peer exchange” mechanisms for knowledge transfer among implementing partners, and among ex-combatants to enhance coherence of approach and the transfer of operational lessons. and</i> (vi) <i>Greater consideration and inclusion of the psycho-social aspect.</i> Psychosocial treatment capacity in the region is extremely low, and there are particularly few (if any) talking therapy options for the general population. (vii) <i>Better inclusion of gender equality aspects and sensitization on GBV</i> is key to avoid discriminating a non negligible part and often the most affected within the target groups; (viii) Positive experiences with the MDRP institutional structure, with AC playing an important role in managing partner coordination and links to overall peace processes, TFC and TCG being successful in harmonization and resource mobilization and capacity building. The TFC supported weak country systems with technical assistance; (ix) Need for improved financial and procurement procedures to avoid irregularities in project financing and procurement (e.g. DRC, Burundi). (x) No pre-emptive strategic communications effort at national level generates many negative reactions among beneficiaries and communities. 	<p>the WB its experienced and proven coordination activity which also involves close donor coordination</p> <ul style="list-style-type: none"> (vi) Given the many psychological traumas observed among ex-combatants, the program whenever possible will support the training of psychosocial specialists (e.g. Rwanda program). (vii) The program will improve on the mainstreaming of gender aspects in close collaboration with the LEAP program that is stand-alone to address these issues in a more comprehensive manner, beyond DDR operations. (viii) Given that the management structure of MDRP has proven to work well together and efficiently perform donor coordination, resource mobilization and capacity support for country programs it will be retained. (ix) In national programs, provision is made to recruit highly qualified financial and procurement staff, reinforced by an independent international consultant to verify financial and procurement tasks. (x) The program will ensure that communication and sensitization activities are proactive, not reactive.
<p>Multi-National: Technical Assistance For the fight against River blindness 2002-2010 (completed) UA 2 million</p>	<p>- Elimination of the disease in 19 African countries through strengthening of national program; - Community based distribution of the medication - Technical Assistance</p>	<ul style="list-style-type: none"> (i) Successful centralization of donor funds with financial management by the World Bank and technical management by WHO; (ii) Importance of participation of beneficiaries; (iii) Partnership between donors, NGOs, governments and communities; (iv) Program design based on research and fact finding; (v) Possibility to integrate experiences in other programs, national and international. 	<ul style="list-style-type: none"> (i) The program is centralizing management within already established World Bank institutions with the know how required; (ii) The program seeks to improve beneficiary involvement through extending benefits and decision making to dependents of ex-combatants and enhanced participation of communities. (iii) The program seeks close partnership between stakeholders, guaranteed through the Trust-Fund nature of the project and the relationship of the program to national programs. (iv) The program supports studies and knowledge creation and dissemination that been successfully developed under MDRP country programs. (v) Ibid.

Annex B2: MDRTSP Detailed Costs and Expenditure Categories

The MDRP has spanned seven years and seven countries in the Great Lakes Region, throughout which it has financed an impressive breadth of activities. These have included, but have not been limited to, Disarmament Demobilization and Reintegration (DDR), reinsertion, reintegration support, research and learning, communications, and program management. As such, the program is useful in evaluating the potential importance of different types of expenditure for any further demobilization and reintegration activity in the region.

By analyzing current MDRP expenditures, and bearing in mind the MDRTSP's focus on enhancing D&R quality, providing emergency support and advisory for emerging caseloads, and facilitating dialogue and learning, the following provides the basis for the allocation of costs under MDRTSP:

Category	% Share of Total	MDRTSP Expenditure (USD)	MDRTSP Expenditure (UA)
Works	1.1	290,000	194,896
Goods	8.4	2,040,000	1,370,995
Services	18.7	4,529,600	3,044,147
Miscellaneous*	47.2	11,444,400	7,691,284
Operating Costs (inc. staff costs)	13.9	3,366,000	2,262,142
Base Costs		21,670,000	14,563,466
Physical Contingency	4.5	1,080,100	725,888
		22,750,100	15,289,354
Price Contingency	6.2	1,519,900	1,021,459
Total	100	24,270,000	16,310,813

* Note: see Breakdown of Miscellaneous Category in the Table below

Expenditure	Amount (USD)
Reintegration	7,180,000
Reinsertion	3,141,600
Cost-Recovery Fee	1,122,000
Total	11,444,400

Annex B3: Implementation Arrangements

1. Institutional Framework: The institutional framework governing the MDTF for the MDRTSP will be similar to the one used under the MDRP. This approach will tend to minimize the risks of the MDRTSP not achieving its intended objectives. As shown in the Box B3.1, in general this framework has been found to be successful in addressing the complexities of implementing D&R operations.

Box B3.1: Preliminary Lessons learnt on the use of AC, TFC, Secretariat and national program structures*

- **Advisory Committee (AC).** The AC has been an effective mechanism for establishing and managing the broad partnership required to implement the MDRP, as well as take advantage of the comparative advantages of MDRP partners. Most importantly the AC provided a unique forum to strengthen partner coordination, ensure the MDRP's links to the overall peace processes in the GLR and activities related to DDR, and to facilitate the participation of key stakeholders in the program's planning and implementation. It also provided an important channel for communications (and counter miscommunications, which is common in post-conflict environments) and helped to ensure close and productive collaboration during program design and implementation.
- **Trust Fund Committee (TFC):** in addition to providing the forum for mobilizing resources for funding DDR and donor coordination, the TFC proved to be an invaluable mechanism for harmonizing efforts and financing related to DDR, raising and debating political issues related to DDR, and taking strategic decisions at key junctures of DDR processes (e.g. in the DRC to unblock demobilization prior to national elections).
- **Technical Coordination Group (TCG).** The TCG provided an opportunity for awareness raising and capacity building on key issues such as reintegration, gender and psychosocial support. The role of the TCG was particularly important given weak capacity, which is characteristic of post conflict settings. During the transition, this structure will not be maintained formally but the existing networks will continue to function.
- **Secretariat.** Particularly given weak capacity at the country level, the Secretariat provided a key source of technical assistance to country counterparts, and enhanced supervision of national programs. This was facilitated by the pool of top international DDR experts engaged by the Secretariat. Within the Secretariat, pressing operational demands meant that knowledge management was compromised. This should be rectified in the future given that knowledge management on the basis of implementation experience and monitoring and evaluation data can help to ensure that best practices are identified, shared and incorporated in future DDR activities.
- **National Program Structures** represented the central vehicle for promoting national ownership of DDR programs, which allowed countries to take the lead in program implementation. This is particularly important in the execution of politically sensitive programs such as DDR, which have implications on national security. Having countries at the helm also provided an incentive to implement the necessary security reforms. However, in some countries, institutional weaknesses associated with political interference in project have been noted. Therefore, National Programs are implemented by small Technical Coordination Teams (TCT), staffed with competitively recruited technical personnel.

*: Source: MDRP. Given that an independent evaluation of the MDRP will include an analysis of the institutional arrangements, it is premature to provide definitive lessons to date.

2. The MDRTSP institutional framework is comprised of the following structures:
 - The **Advisory Committee (AC)** is comprised of all donors and partners of the transitional program, including client governments and key actors such as the UN partners, and other regional bodies such as the African Union's Peace and Security Commission. This group will meet on demand but not less than once a year to share information and discuss strategic directions, links to other processes and ways to strengthen partnerships and coordination.
 - The **Trust Fund Committee (TFC)** is comprised of those donors to the Trust Fund as well as those that contributed to the original MDRP as ex-officio members. This group will meet every six months or as required to make strategic decisions about allocations from the transitional MDTF and set work plan priorities. Whilst discussions at this level will focus on regional issues, recommendations can also be made vis-à-vis the national programs to ensure regional coherence and attention to cross-border issues.
 - The existing **Trust Fund Secretariat (TFS)** under the original MDRP will be restructured and have its mandate renewed for the purpose of overall coordination and support of program management.
 - **National Executing Agencies:** in all recipient countries, these agencies created under the original MDRP, will continue to execute national D&R programs.
 - **Partners:** UN agencies and other organizations will act as executing agencies and grant recipients for special projects.
 - **Bank's Field Offices** in DRC, Rwanda and Uganda will ensure Bank's participation in meetings that are regularly organized in countries by donors on national programs. They will also participate in regular supervision missions of the TFS.
3. **Program management:** The TFS will continue to be housed in the World Bank and will specifically be responsible to support Bank processing and supervision of national project operations, review and processing of special projects, provision of technical support to operations, recruitment and conduct of analytical and advisory work and training, communications with donors and other partners, regular monitoring of and reporting on project and overall program performance, overseeing the management of the Trust Fund, and organization and facilitation of AC and TFC meetings.
4. While the TFS would be located in Washington, to help ensure close linkages with regional management and key Bank departments regarding project approval and trust fund administration, selected staff will be based in the region to ensure closer program policy and operational support. The decision to house the TFS at the World Bank is justified on the basis of: (i) continuity; (ii) existing capacity to leverage

additional resources for the MDTF; (iii) existing capacity for analytical work in the area; (iii) the institution's demonstrated experience in DDR activities across the continent and in management of MDTFs; and (iv) its position as the major financier of MDRP as well as MDRTSP through parallel financing of national programs.

5. **Program Execution:** In general, the program implementation units of the eligible national governments will be responsible for the overall management of national programs. The program will reinforce the units with competitively recruited technical, financial and procurement personnel and international consultants, where necessary. This reinforcement will help in avoiding institutional weaknesses associated with political interference, and irregularities in financial management and procurement. The World Bank will have the responsibility to execute regional activities and program management under the Trust Fund. Special projects will be executed by partners (UN agencies, NGOs, etc.).

Annex B4: Financial Management and Disbursements

1. Financial Management: As is normally the case with multi-donor trust funds, resources from all donors will be pooled in a single Trust Fund account and will be kept separate and apart from the funds of the IBRD and IDA. Therefore, earmarking of funds for specific countries, program activities, or cost categories would be discouraged. However, donor preferences for supporting specific areas of interest within the context of the MDRTSP can be recognized in the administrative agreements between the World Bank and the donor.

2. Grant agreements will be prepared between the World Bank as MDTF administrator and the recipients. These agreements will outline the activities, cost categories and level of expenses to be financed, and the standard procurement and financial management procedures to be used for project implementation. The MDTF grants with recipient countries will apply the same financial management and procurement guidelines and procedures as the parallel World Bank loans/credits. In the case of special projects, standard World Bank procedures, similar to those of UN agencies, will apply with specific thresholds and prior review ceilings adapted to the special nature of the recipient and the emergency nature of DDR operations.

Procedures Governing Grant Award and the use of Trust Fund Resources

3. Financing of activities under the MDRTSP would follow three different approval and fund flow processes, determined by the type of executing agency involved, and generally linked to the program components. National government authorities are the expected executing agencies for Component 1 of the Program and financing under the MDRTSP would be done in accordance with standard World Bank procedures (generally for emergency and rapid response operations), with two modifications: (i) MDRTSP donors would formally review the appraisal document and endorse the use of TF resources prior to approval of a TF grant by the World Bank, and (ii) MDRTSP TF grants would be approved by the regional Vice President (RVP) rather than the Board. The effectiveness of the MDRTSP TF grant would be conditional on the approval of IDA financing. If the co-financing of a national D&R operation was being considered after a significant time lapse between the original appraisal and approval of the IDA portion of the national project, a specific joint mission would be undertaken to review, confirm or amend the initial assumptions and planning figures for the original project. Based on this joint post-appraisal review, a formal request for co-financing would be put to the MDRTSP TF donors for their endorsement prior to World Bank approval. In the event that the MDRTSP were asked to finance exclusively a national operation (as may be the case in the Central African Republic), the process of appraisal and approval would be the same except that effectiveness would not be conditioned on the Bank Board's approval of IDA co-financing.

4. To the extent possible, MDRTSP TF donor review and endorsement of national project grants would be done in conjunction with regular AC and TFC meetings to allow full discussion of the intended operations. However, if this would not be practical either

an *ad hoc* meeting could be called by the TF Committee members or a program may be reviewed and endorsed virtually prior to submission to the RVP for approval. As part of this review by the TF Committee, it will be important that close consideration be given to the proposed financing in terms of the original MDRTSP financing estimates and current fund availability to ensure that issues of over-commitment that arose under the MDRP are avoided, and to analyze the trade-offs between financing one national program over another.

5. Component 2 of the program entails execution by other recipients (such as NGOs or UN agencies) as well as the World Bank. In the first case, specific grants would be reviewed and endorsed by the MDRTSP partners in the same manner as the current MDRP Special Project procedures. Overall, such special projects would undergo a similar but streamlined process of review and approval, draw on country-level technical review and approval bodies (that include representatives of the MDRTSP donors and the relevant Government authorities) to confirm the technical relevance and appropriateness of a given activity, and allow for specialized procedures for UN agencies, especially those that have signed the Fiduciary Principles Accord (FPA). The World Bank task team supporting the given operation would have responsibility for organizing and facilitating the local *ad hoc* committee that would serve the purpose of technical review and approval. As donor representatives to the MDRTSP form part of the *ad hoc* committee, the final project document would be distributed to the overall TF committee on a no objection basis prior to internal processing and approval by the RVP.

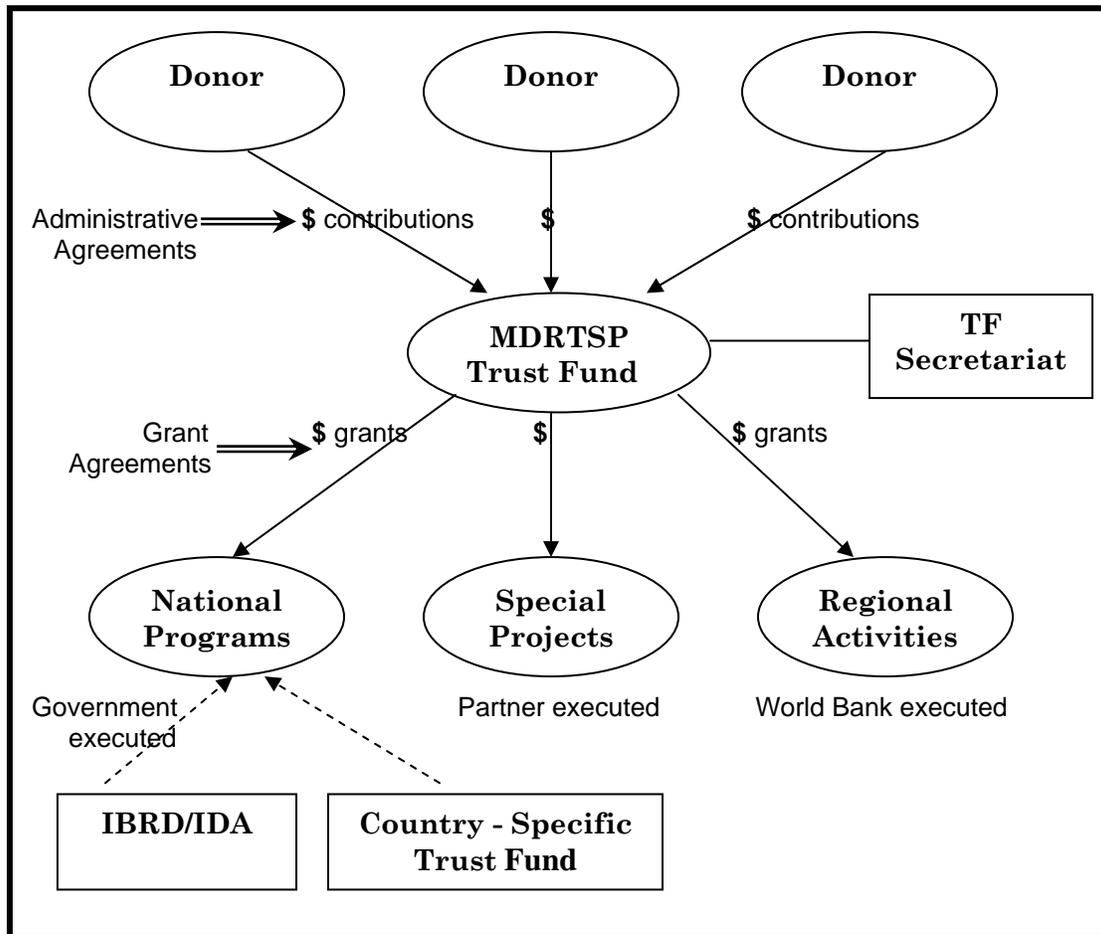
6. Component 3, and elements of component 2 would be undertaken by the World Bank through the MDRTSP Secretariat. This work, which includes overall program management, communications, technical support and supervision of operations, and analytical work and training aimed at improving performance under the program, would be outlined in annual workplans and budgets that the TF Committee would review and approve. In the event that the need to carry out an unforeseen task or activity arises, the MDRTSP Secretariat would seek specific approval of the task by the TF Committee.

7. Once grants are entered into between the Bank and either national governments or other recipients (for component 1 and 2), the use of Trust Fund resources will be governed by the fiduciary policies and procedures of the World Bank, as the administrator of the Trust Fund. These policies and procedures, as adapted for emergency operations, address, *inter alia*, procurement, financial reporting, auditing and corruption requirements. These procedures would apply to all grant recipients except for those UN agencies who are signatories of the Fiduciary Principles Accord (FPA) with the World Bank. The FPA allows for the application of UN fiduciary, technical appraisal and supervision procedures for grants administered by the World Bank under emergency operations and would be applied under the MDRTSP to those UN agencies who have signed the FPA and are selected as implementing partners under component 2 of the program. The funds to be managed and executed directly by the MDRTSP Secretariat for work on component 3 and some of component 2 would be allocated to the Secretariat and be used in accordance with standard World Bank administrative procedures, under the

overall guidance of the Africa Region's Conflict and Social Development Sector Manager.

8. Figure B4.1 illustrates the flow of funds for the MDRTSP through the regional Trust Fund as well as from the World Bank and the Single-Purpose Country Trust Funds.

Figure B4.1: MDTF Schematic Drawing



9. Disbursement: The first disbursement of ADF resources shall be subject to effectiveness of the agreement and the presentation to the Fund of the 2009 budget and an annual action plan. It is proposed to disburse ADF resources in two tranches of UA 7 million each. Before the second disbursement, the Technical Secretariat shall submit, as an annex to the request for disbursement, and to the satisfaction of the Bank: (i) the most recent annual report of activities; (ii) the most recent audit reports of the trust fund; (iii) the annual budget of the program; (iv) the annual action plan of the program; and (v) evidence that these documents have been approved by the Trust Fund Committee of the program.

10. Disbursements to Government Agencies (National Programs): Disbursements to government agencies will generally be made using the transaction based disbursement

method (including use of Special Accounts). Government agencies with effective financial management systems can opt to use the FMR-based disbursement method.

11. Disbursements to UN Agencies and NGOs (Special Projects): Disbursements to UN agencies will be made using the World Bank blanket withdrawal application (BWA) method. Disbursements to non-governmental organizations will also be made using the BWA method, subject to approval by the World Bank Director of the Loan Department on the basis of a satisfactory assessment of financial management arrangements. Under the BWA method, the initial advance of funds will be made against a cost estimate for the first six months of operation. Subsequent disbursements will be made against payment requests that reflect eligible actual expenditures during the previous quarter and estimated expenditures for the ensuing six months. The financial reports that will be required under the BWA method will be part of the Financial Monitoring Reports (FMR). Guidelines for FMRs will be provided to recipients.

Annex B5: Procurement Arrangements

1. All procurement of goods and works and acquisition of consulting services financed by the MDTF will be in accordance with the World Bank's *Guidelines for Procurement under IBRD Loans and IDA Credits* published in January 1995, as revised periodically or, as appropriate, *Guidelines for the Selection of Consultants by World Bank Borrowers* published in 1997, as revised periodically, using the relevant World Bank Standard Bidding Documents. In this regard, a waiver of the Clause 1.17 of the Rules and Procedures for Procurement of Goods and Works will be requested from the ADF Board.

2. ***National Program Procurement:*** The procurement arrangements for each country program will be based on a procurement capacity assessment to be carried out during the appraisal of the national program. Country-specific action plans would be developed, including prior and post review thresholds. Procurement plans would be elaborated for the first year of operation based on a specific work plan. These procedures would also apply for the use of MDTF resources for national programs.

3. ***Special Projects Procurement:*** The following procurement methods and indicative thresholds are suggested as a general model to be applied to all special projects. However, the method and review threshold can be modified, based on circumstances and need, with the clearance of the appropriate financial management and procurement specialists responsible for the project.

Procurement Methods and Indicative Thresholds for Special Projects

4. ***Goods.*** Contracts for goods estimated to cost less than US\$300,000 equivalent per contract may be awarded by National Competitive Bidding (NCB) as described in paragraphs 3.3 and 3.4 of the IDA procurement guidelines. Goods estimated to cost no more than the equivalent of US\$100,000 per contract may be procured using shopping procedures (on the basis of comparison of at least three quotations) at national or international level in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

5. ***Civil works.*** International Competitive Bidding (ICB) procedures would apply for civil works estimated to cost more than the equivalent of US\$1,000,000. Civil works estimated to cost between US\$100,000 and US\$1,000,000 equivalent per contract may be awarded by National Competitive Bidding (NCB) in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines. Small civil works estimated to cost less than US\$100,000 equivalent per contract may be procured on the basis of quotations obtained from at least three qualified contractors in response to a written invitation. The written invitation would include a description of the works, basic technical specifications, completion date and if necessary the plan of the works. The contract may be awarded to the contractor who offers the lowest quotation provided that the bid is substantially responsive to the conditions specified in the written invitation.

6. *Consultants' services.* All consultants' services estimated to cost more than US\$100,000 equivalent per contract would be selected using the Quality and Cost-Based Selection (QCBS) method. Single source selection may be used in accordance with paragraphs 3.8 to 3.11 of the World Bank Group's Consultant Guidelines. Consultant services for specialized tasks estimated to cost less than US\$100,000 equivalent may be awarded through the Consultants' Qualifications method in accordance with the provisions of paragraphs 3.7 of the Guidelines. Consulting services contracts meeting the requirements of Section V of the Consultant Guidelines, may be selected under the provisions for the Selection of Individual Consultants, i.e. in essence through the comparison of the curriculum vitae of at least 3 qualified individuals. Contracts for consultant services for financial audits and external evaluations, estimated to cost less than US\$100,000 equivalent may be awarded using the least cost selection method, in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

Thresholds for Prior Review

7. Goods and civil works contracts estimated to cost the equivalent of US\$200,000 or more would be subject to IDA prior review. For consultant services, contracts estimated to cost more than US\$100,000 equivalent for individuals and firms, and contracts for all single-source selections, would be subject to the World Bank's prior review procedures. All other goods, civil works and services contracts would be subject to post review by the World Bank during supervision missions and by auditors during the technical and financial audits.

Procurement Plan

8. Prior to the first disbursement, the recipient agency will submit a detailed procurement plan covering procurement activities for the first six months of project implementation. The recipient agency will update the procurement plan on a six-month basis. The World Bank will carry out a simplified assessment of financial management and procurement arrangements of recipient agencies during the proposal review process to review the adequacy of staff and other arrangements for financial management and procurement to ensure the proper use of funds.

Annex B6: Auditing Arrangements

1. The World Bank will provide the ADF and other participating donors annually with an independent review report concerning the adequacy of internal control over financial reporting for trust funds as a whole. The costs of such reports shall be borne by the World Bank. In addition, the World Bank shall ensure that the financial statements for the Trust Fund be audited by its external auditors at least once every two years after the inception of the Program (Interim Audit) and at the completion of the Program (Completion Audit). The cost of the Interim and Completion Audits will be charged to the Trust Fund. A copy of the auditors' report will be forwarded to the Donors, including the ADF. In the event that the completion audit is expected within 12 months of a scheduled interim audit, the preparation of this interim audit will not be necessary. The Bank may deduct the cost of such audits from the Trust Fund.

2. **Special Projects Audit:** Audit requirements will be specified in each grant agreement. Recipients will be required to prepare annual statements of sources and uses of funds to show all funds received and expenditures made under the special project. These will be audited by independent auditors acceptable to the MDRP Secretariat. In the case of a special project of up to 18 months duration, a single completion audit will be required. For projects lasting more than 18 months, annual audits would be conducted. The cost of such audits may be charged to the grant. The Trust Fund Secretariat and World Bank will receive a copy of all audit reports as soon as the audit is completed but in any case no later than six months after the close of the audit period. Generally, existing auditors of UN agencies will be considered acceptable for this purpose.

3. **National Programs Audit:** All national programs will be required to have their annual financial statements audited by an independent auditor acceptable to IDA and submit the audit report within six months following the fiscal year end of the project. This requirement will be followed-up in accordance with World Bank practice. In addition to these external audits, depending on the country context, audits at shorter intervals may be required. The Trust Fund Secretariat will follow up on the main findings reported by the auditors as well as with national programs that fall into arrears regarding the submission of their annual audit reports.

Annex B7: Economic and Financial Analysis

The economic and financial performance of the program is difficult to reasonably estimate ex-ante. However, experience from the original MDRP and other ongoing DDR activities suggest that the program will be able to: (i) spur local economic development in the target countries through the economic reintegration activities to be supported under the program; (ii) increase both domestic and export trade volume due to the restoration of the free movement of goods and persons within and between countries; and (iii) prepare the ground for an increase in public expenditures targeting the economic and social sectors.

Cost-Effectiveness of the Program: The program is designed to facilitate and expedite the D&R process for about 10,000 ECs who will be transformed into productive civilians, offering them relevant training that will foster economic recovery making them positive economic actors and injecting financial resources into their respective communities. In addition, the return of such a large percentage of the labor force to the civilian economy is expected to inject significant human resource capacity into the labor market. The Program's design attempts to minimize interference with market forces and to maximize individual choice and synergies with ongoing interventions. Furthermore, economic reinsertion measures are based on the socio-economic profile of the ex-combatants, their own efforts and aspirations, and the specific opportunity structure in their communities of return. In addition and following experiences from past activities the program will make special efforts to align activity choices even further to local markets and opportunities. This is particularly important with regard to the activity choice of female ex-combatants which needs to be widened to include non-traditional occupations which have better income earning potential and are more sustainable. Moreover, the regional framework will also optimize the use of donor funds for DDR financing by reducing transaction costs. Experience from the MDRP suggests that over 90% of DDR financing in the GLR was channeled through the original MDRP framework.

Analysis of expenditure: The envisaged linkages with ongoing SSR programs will help free up resources currently allocated to the defense sector. The anticipated reduction in these defense expenditures will expedite economic recovery and allow the targeted governments to restore expenditure levels in the social sectors in line with their poverty reduction strategies.

Cost-Benefit Analysis: A cost-benefit analysis is not possible or required in the context of the MDRTSP due to the difficulties in determining ex-ante the benefit/income streams of the program. However, it is instructive to acknowledge the relatively small total cost of the MDRTSP against the productivity gains and benefits to the communities and households of ex-combatants and victims of the conflict who will re-enter productive civilian life, as well as the long-term economic benefits for the region associated with the promotion of peace and stabilization under the MDRTSP.

Annex B8: Environmental and Social Analysis

Environment

1. The program is classified as environmental category 2. At national level, programs include reintegration activities that primarily take the form of micro-projects promoting income generation. While many of these micro-projects will have no environmental or social impacts, some agriculture, animal husbandry, brick-making and other similar activities could be financed. These are on a very small scale (micro-project grants are worth approximately \$600) and widely dispersed and so would have marginal environmental impact and no cumulative effect.
2. All national programs supported through MDRTSP will prepare and disclose during the first six months of implementation an Environmental and Social Management Framework (ESMF) which will define a process to screen reintegration micro-project proposals and other project investments to identify any potential negative environmental or social impacts of program investments. Through this screening mechanism, the program would identify mitigation measures to ensure application of all appropriate safeguard measures, including adequate arrangements for medical waste disposal. The ESMF will build upon the social and environmental framework developed for the MDRP by the Africa Region's Social and Environmental Safeguards unit (ASPEN) in collaboration with the MDRP Secretariat.
3. Annual evaluations will include an assessment of, among others, the procedures to screen sub-projects; the occurrence of involuntary displacement or resettlement; the degree of community acceptance; the degree of family acceptance; the existence of discrimination on the basis of gender or previous military affiliation; the level of personal security of ex-combatants; and the impact of reintegration on ex-combatants' family members. These evaluations would help to identify social and environmental impacts, determine the appropriateness of procedures and processes, and make recommendations for improvements where necessary.

Gender analysis

1. D&R is a deeply gendered process which requires careful analysis of given post-conflict situations. The Security Council Resolution 1325 on Women, Peace and Security (2000) recognizes the fact sustainable programming for D&R needs to take into account the different needs of female and male ex-combatants and their dependents. The resolution also points to the fact that the D&R of female ex-combatants should address the promotion of women's agency and participation in reintegration and peace work and the needs of women as victims of gender based violence and of forced recruitment into military roles.
2. Experiences of early MDRP activities suggested that the above aspects had been neglected and that the different needs and constraints of male and female ex-combatants and their families had not been sufficiently taken into account. This concerned especially psychosocial support of ex-combatants and affected communities and sensitization of these target groups on GBV with a view to prevent or reduce its occurrence in post-conflict situations. Specific target groups such as women and young girls who were forced to join armed forces and served in military support roles or as "sex slaves" were also not sufficiently catered for as they are normally not recognized as ex-combatants yet have similar reintegration needs but

lack access to services. Other vulnerable groups such as girl ex child soldiers with children have also been identified as having special needs.

3. The **Learning for Equality, Access and Peace (LEAP)** program was launched by MDRP in August 2007 to fill the identified gaps. LEAP has since done valuable work by further identifying gender gaps in MDRP programming, largely through studies, such as on GBV in Eastern DRC, through missions and consultations with national program staff, gender ministries and NGOs in the concerned countries. LEAP has also managed to provide gender training for national program staff and ministerial staff to facilitate effective gender mainstreaming and it effectively uses pilot projects to apply women and men specific programs. The Bank has been in contact with the LEAP program officer and since the inception has exchanged notes on a number of topics such as the gender situation in Eastern DRC and has coordinated activities within the Bank funded PARSEC project in DRC. A World Bank mission to ADB in July 2008 to discuss collaboration on gender equality concerns in MDRP further consolidated knowledge and clarified gender gaps in current programming. LEAP and Bank experiences from the region have therefore been the basis of the gender analysis on which this program is based.

4. The LEAP program will be financed through a separate trust fund during the transitional phase and it is expected that it will complement gender specific activities in MDRP. In fact, with its broader mandate of increasing knowledge of issues related to gender and conflict and its pilot projects which go beyond strict D&R activities, it is expected that good synergies will be established between LEAP and the cross-cutting activities mainstreamed in the proposed program. This will facilitate referrals to on-going projects/activities and services such as treatment of victims of GBV. It is also expected that knowledge on gender and D&R generated by the LEAP program can be integrated into MDRP activities through the duration of the transitional program and be applied in future D&R activities. The regional nature of the program will foster and facilitate learning across borders also with regard to gender equality and how it can be best achieved within D&R.

5. Given the above it is expected that the proposed program has a positive impact on the frequency, depth and quality in which gender concerns are addressed in the program. Impacts are expected to include recognition of the needs of female ex-combatants including the needs of women and girls who have been associated with armed groups in non-military roles often recruited under duress, girl and women ex-combatants with children and heads of household. The program focus on dependents and their integration into decision making regarding income generation is expected to increase sustainability of income-generating activities and assist in spreading benefits to the families of ex-combatants. The program will put aside greater resources for the psycho-social support of ex-combatants and affected communities and will include promotion of re-reconciliation, non-violence, respect of human rights particularly those of young girls and women. This is expected to have positive outcomes on reducing GBV, violence in general, conflict and stigma, and it will increase access to services and benefits of previously underserved vulnerable groups.

Social Analysis

1. The sustainability of income-generation activities is a very important aspect of re-integration and is the economic and social basis of the permanent return of the ex-combatants to civilian life. The program integrates the experiences of MDRP and social impact studies

undertaken in Rwanda and CAR for example. Based on these studies, reintegration support is expected to generate the following social impacts:

- Sustainable income-generation that will be further enhanced by provision of reintegration support in kind rather than in cash and by involvement of families in training and choice of income generating activity. This will also encourage a better distribution of benefits on the whole family and is therefore expected to provide a livelihood basis for the families of reintegrated ex-combatants;
- Focused and quality enhanced training including bookkeeping and spread of activities offered which are adapted to the local economy and to the gender and educational background of the ex-combatant ensure that ex-combatants are likely to boost the local economy and possibly also offer services and employment to the civilian populations;
- Building activity choice on local market analysis and diversification of choice will enhance the role of supported income-generation activities in boosting local economies and avoid failure and concomitant return to arms;
- Encouragement of beneficiaries of the program to join business associations strengthens sustainability and improves follow-up and enhances integration of ex-combatants with civilian populations thus leading enhanced stability and reduction of violence.

2. Increased sensitization of ex-combatants and communities on negative environmental protection will enhance the self-regulation of projects and build the capacity of community committees to monitor mitigation measures. In some countries MDRP has started to offer incentives to ex-combatants who adopt activities with social and environmental benefits and this will be strongly encouraged in the transition program. All these environmental aspects will potentially have a positive effect on climate change mitigation, reduction of environmental degradation and thus the sustainability of livelihoods during recovery.

3. Sensitization of ex-combatants on the prevention and treatment of HIV/AIDS and the offering of testing will have a positive spin off effect to local civilian populations. The same is true with regards to sensitization on gender-based-violence, sensitization on and treatment of war-trauma will assist the healing of the scars of war, support integration of ex-combatants and civilians and contribute to the reduction of acts of violence which are preconditions for the successful return to peace and stability.

4. With regard to acceptance of ex-combatants into their respective communities, a study in Rwanda found that generally communities accepted and valued ex-combatants ideas, skills and abilities and that they were willing to elect them for political office. Ex-combatants are also not perceived of as a risk to local security. Female ex-combatants face greater re-integration problems such as greater stigma in communities and more problems to establish an activity. Since in the past many women chose traditional training for women (tailoring, hair-dressing) which often do not have great potential the program will make special efforts to encourage women to participate in non-traditional activities through use of female role models, sensitization of beneficiaries, trainers and communities etc. Special attention to particular constraints faced by women in establishing livelihood include insuring access of women to land for agricultural activities through lobbying community leaders and sensitizing communities. All above activities will have positive outcome for the ability of female ex-combatants to secure viable incomes, to improve their status and diminish stigma and open the way for more gender equality of civilian women.

5. D&R is only the first step to normality and ex-combatants and affected communities need to find medium and long-term solutions to establish appropriate livelihoods. Sufficient sensitization of communities and ex-combatants, psycho-social support, sufficient follow-up and improved income-generation and training adapted to local circumstances will bring positive outcomes, with ex-combatants and their new livelihoods offering one aspect of local economic growth which might even offer future employment to civilians.

ANNEX B9: Project Preparation and Supervision

Background

1. Countries in the Great Lakes Region and their development partners and in particular the World Bank have approached the Bank seeking support to demobilization and reintegration (D&R) programs since 2002. Until 2008, it was not possible for the African Development Bank (AfDB) to contribute directly to the Multi-Donor Trust Fund (MDTF) that financed the Multi-Country Demobilization and Reintegration Program (MDRP) due to the complex process of requesting waivers from the Board of Governors to the procurement policies related to the rules of origin. In 2006, the Bank decided to finance a parallel operation in the DRC (PARSEC) under the ADF's rules, but in coordination with the MDRP/MDTF partners to fill the gap that the program was facing in that country.

2. In anticipation that the Fragile States Facility, which was due to be launched in 2008 and would allow for contributions to MDTFs, the AfDB pledged a contribution of up to UA 15 Million to the original MDRP to be financed from the regional operations envelope of ADF XI, at a meeting of the MDTF partners in December 2007. In April 2007, OSHD presented a Project Concept Note (PCN) for the MDRP to the Operations Committee (OpsCom). While the OpsCom did express some reservations over the operation's conformity to the Bank's definition of a Regional Public Good (RPG), it approved the PCN, allowing an appraisal mission to be launched.

3. However, the preparation process was delayed by the two following factors that justified the need for an update appraisal mission and the shift from a contribution to the original MDRP to the transition phase:

- a. The AfDB was informed at the MDTF Committee meeting in May 2008 that the financial gap of MDRP had been reduced further to UA 5.12 Million. Due to the reluctance of some donors to extend the project beyond June 2009, it was not possible for the program to absorb the Bank's contribution before the closing date. The creation of a new Trust Fund to finance the transition period after June 2009 was then proposed. The Bank expressed its willingness to consider a contribution to a new Trust Fund provided that it supported activities of a regional nature, and other donors pledged financial contributions. The TF Secretariat provided evidence of these two aspects in early August 2008.
- b. Discussions within the Bank from August to October 2008 around the possible removal of the MDRP operation from the approved pipeline for financing under the RPG envelope of the regional operations fund given shortage of resources in the context of highly competing priorities for the use of these resources.

Program Preparation's Process

4. Given the nature of the operation (contribution to a Multi-Donor Trust Fund), and the fact that this is the continuation of an on-going program, the Bank did not undertake program formulation missions in beneficiary countries. However, it has undertaken extensive consultations in the concerned countries during the formulation of the ADF support to national DDR programs in the DRC and CAR and missions of the OSFU. It should be noted

that the preparation of national programs follows a thorough participatory process involving all stakeholders at international, national and local levels.

5. The Bank had also meetings and discussions with stakeholders including governments, donors, international and local NGOs during the MDRP Advisory Committee and Trust Fund Committee meetings to which the Bank participated since 2006. Finally, it undertook an appraisal mission to the MDRP Secretariat in May 2008, followed by an update mission in December 2008, as presented in the Table below.

Table B9.1: Preparation of the MDRTSP

Main activities	Dates	Participants
Identification & preparation	20-22 November 2006 14-28 December 2006 March 30 – April 17, 2007 April 2006/Mars 2008/August and November 2008 April 7-13, 2008 11-13 December 2007	- Ginette Nzau-Muteta, Task Team Leader (TTL), Socio-Economist OSHD.1 participated at the MDRP Advisory Committee and TFC meetings. - Identification/preparation of the PARSEC in the DRC: TTL, A. Eyeghe (Socio-Economist) and I. Boukary (Architect) - Appraisal of the PARSEC – DRC and MDRP donors meeting in Kinshasa: TTL; A. Eyeghe, Socio-Economist; G. Geisler (Gender Expert); A. Magassouba (Procurement expert) - Identification/preparation/appraisal of the reinsertion project in CAR: A. Eyeghe; G. Geisler; J. Nzeyimana - Strategic Review of the PNDDR in the DRC: TTL and Social Development Expert, CDFO - MDRP meeting : TTL
Initial review (PCN)	March 2008 April 2008 15 April 2008 25 April 2008	- PCN prepared by Team: TTL; - Peer Review: Socio-Economists (OSHD.1), Gender Expert (OSHD.0), Procurement Expert (ORPF.1), Disbursement Expert (FFCO.3), Legal Adviser (GECL.1); Economist (OSFU); Member of the Task Force on Regional Operations (ONRI) - Regional Team Meeting (chaired by ORCE) - OpsCom
Appraisal mission	27 April – 6 May, 2008 28-29 May 2008	- WB: TTL and Legal Adviser GECL.1 - TFC Meeting : TTL
Re-appraisal mission	14-21 December 2008	WB: TTL, Socio-Economist OSHD.1 and Legal Adviser GECL.1
Report preparation		- Ginette Nzau-Muteta, Socio-Economist, OSHD.1, TTL; - Yero Baldeh, Socio-Economist OSHD.1; - Gisela Geisler, Gender Expert, OSHD.0; - Felix Baudin, Legal Adviser, GECL.1
Peer review	29 December 2008	James Wahome, Chief Economist, OSFU; John Kanyarubona, Chief Program Coordinator, ORPC.2 (Member of the Task Team on the Regional Operations Policy); Corbin Michel Guedegbe, Principal Education Analyst, OSHD.2; Ali Eyeghe, Senior Socio-Economist, OSHD.1; Moses Ayiamba, Principal Procurement Expert, ORPF ; Akpem Beyuo, Senior Disbursement Officer, FFCO.3
Regional team meeting	12 January 2009	A. Ordu, Director OREA, Chair; T. Hurley, Director OSHD; A. de Roquefeuil, Manager OSHD.1; C. Tawah, OREA; R. Bharat; R. Walker, OREA; O. Diakite, ORCE; G. Geisler, OSHD.0; Yero Baldeh, OSHD.1 and G. Nzau-Muteta, OSHD.1

OpsCom meeting	21 January 2009	Management
Negotiations	10 February 2009	Trust Fund Secretariat, World Bank; OSHD; GECL; ORPF; FFCO.3
Translation	January 23, 2009	ERCU
Board approval	February 25, 2009	ADF Board of Directors
Effectiveness date	April 2009	Signing of the Protocol Agreement between the ADF and the WB
Mid-term review	June 2010	TFS (World Bank); OSHD
Closing date	December 2011	TFS (World Bank); OSHD

6. To further enhance the participatory approach, the appraisal report of the program was shared and discussed with the following instances:

- a. Country Offices in Uganda, DRC and Rwanda by the Country Departments;
- b. MDRP donors and the TFS through a video-conference held on January 29, 2009.

ANNEX C1: Main features of the MDRTSP

Eligibility criteria

1. In line with the criteria developed under the original MDRP, countries in the Great Lakes region qualify for support from the MDRTSP on the basis of several general and country-level eligibility criteria. Foremost among these are government participation in the regional peace process and the adoption of key policy measures. Within the MDRTSP and based on the experience of MDRP in the East DRC where regular armed forces are involved in violation of human rights, elements of justice and human rights respect are also added. Country-level criteria focus on the establishment of appropriate institutional arrangements and the elaboration of a national program in consultation with the international community.

2. To be eligible for receiving assistance under the MDRTSP, each country is required to fulfill the following criteria:

General criteria

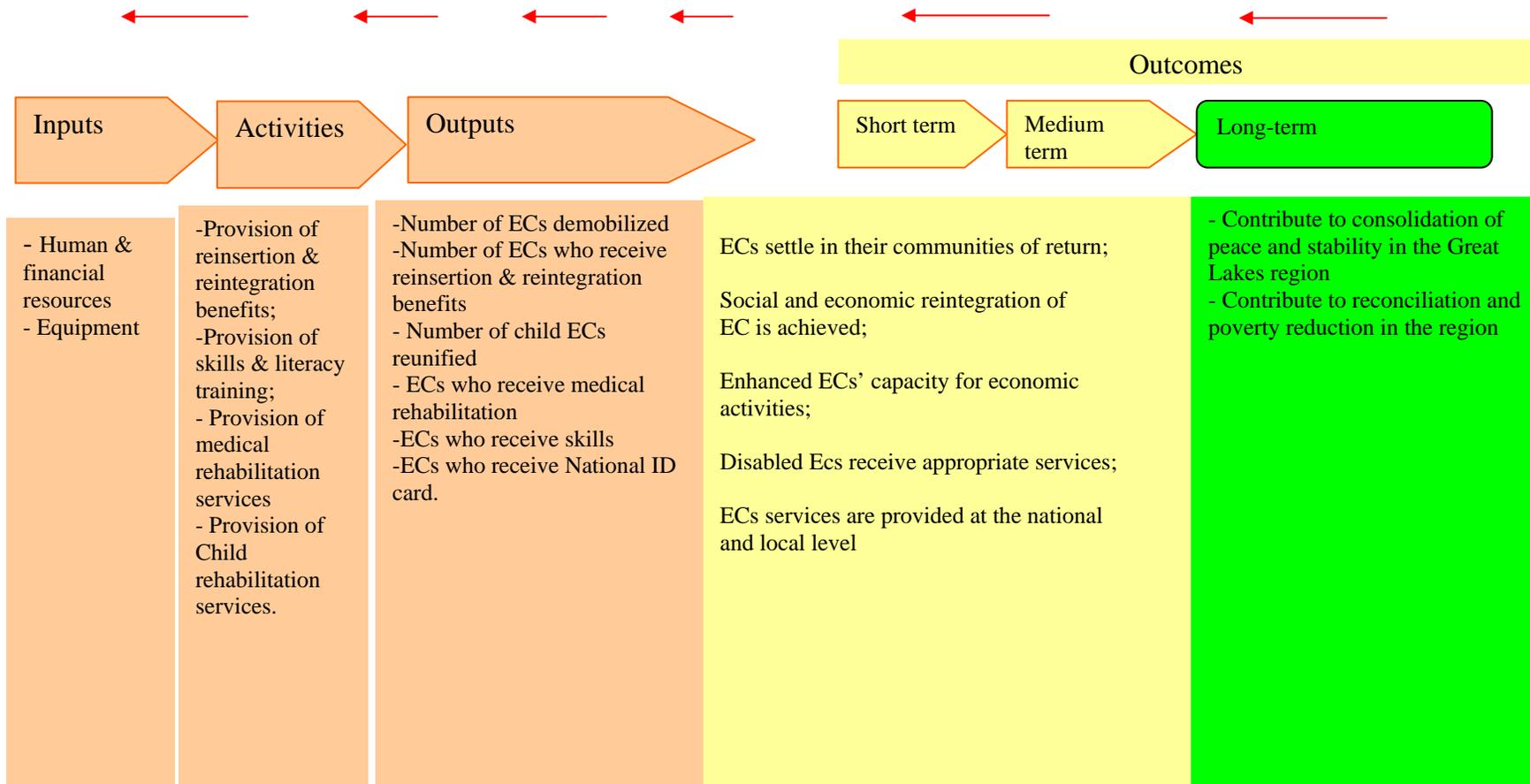
- (i) *Affected by conflict.* Being involved in or directly affected by one or more of the conflicts in the greater Great Lakes region;
- (ii) *Participation in the regional peace process.* Signature of applicable peace/ceasefire accord(s) (e.g., Lusaka, Arusha, Brazzaville/Pointe Noire), and participation in the institutions established under the accord(s);
- (iii) *Engagement in Security Sector Reform including guarantee of justice and respect of human rights.*

Country-level criteria

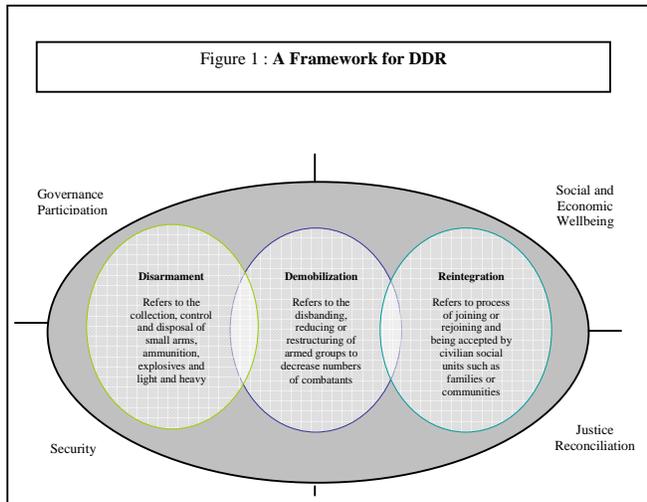
- (iv) *Preparation of a national DRP as a result of the conflict(s).* This is typically demonstrated by a coherent national program developed in consultation with national stakeholders and the international community. It could also be demonstrated by launching a credible development program process, with a clear roadmap and timetable in place;
- (v) *Establishment of a suitable institutional structure.* Governments have to establish flexible implementation arrangements with significant planning, coordination and monitoring capacity and with appropriate participation of relevant political and security stakeholders;
- (vi) *A letter of demobilization policy outlining government commitment.* Governments have to prepare a letter in which they outline their commitments to the regional peace process, demobilization and reintegration, security sector reform (including plans for future military size and budget, military unification and restructuring where relevant) and fiscal plans for social expenditure.; and
- (vii) *Establishment of appropriate safeguards and fiduciary measures.* Governments have to provide assurances and monitoring measures to ensure consistency with environmental and social safeguards. In addition, governments would establish satisfactory financial management and procurement arrangements.

3. The eligibility for special projects is assessed on a case-by-case basis. Main criteria would include the appropriateness of the proposed activity in the given socio-political context and its technical and financial soundness.

Example of Results chain for MDRTSP (source: World Bank)



Description of a Typical DDR National Program



4. Based on information from DDR operations and a review of relevant experiences in African countries and elsewhere, the following best practices were identified and integrated into program design.

5. *Disarmament* of ex-combatants should be a distinct phase without directly associated benefits to avoid giving the impression that a DRP is a weapons buy-back program that rewards ex-combatants for handing over weapons. Disarmament refers to the collection, control and disposal of small arms, ammunition,

explosives and light and heavy weapons. Disarmament of soldiers and irregular forces is undertaken respectively by the army and by UN specialized agency or a regional body mandated with this activity. Ideally, arms should be destroyed as soon as possible after they are collected, but the government involved may choose to retain some of the weapons. This activity is neither managed nor financed by MDRP.

6. *Demobilization*. This phase is short but logistically complex. The successful implementation of demobilization activities is a precondition for the subsequent provision of targeted reinsertion and reintegration assistance. Demobilization includes the following activities: (i) assembly in discharge centers (cantonment); (ii) verification of ex-combatant status and provision of non-transferable ID cards after recording of biometric data (iris, face or fingerprint) to avoid recipients recycling through the program; (iii) capture of socio-economic data; (iv) pre-discharge orientation for transition to civilian life; (v) health screening and voluntary HIV/AIDS counseling and testing (VCT); (vi) addressing the special needs of female and child ex-combatants; and (vii) facilitation of transport to areas of return. Particular attention needs to be paid to clear eligibility criteria and screening processes to avoid targeting errors.

7. *Reinsertion*. Upon demobilization, the ex-combatants lose their source of (formal or informal) income. Experience indicates that they are usually in a vulnerable financial situation until they can generate income. During this period (the “*reinsertion*” phase), ex-combatants require a transitional safety net to cover their families’ basic material needs. The objective of this transitional assistance would be to enable the ex-combatants to return to their community and to sustain themselves and their families for a limited period immediately following demobilization. The reinsertion assistance is typically calculated to cover the basic needs of an ex-combatant household (e.g., rent of accommodation, medical care, food, children’s education, and basic household items) for a period of 6-12 months following demobilization. Lessons from previous programs suggest that cash assistance is often preferable to in-kind support, as it maximizes beneficiary choice and reduces administrative costs. Where cash payments are involved, the capacity of the banking system is assessed and alternatives identified when needed. In the DRC, cash reintegration payments to over 100,000 people scattered around the country are made through a mobile phone network by the private company CELPAY. Overview of cash payments made under MDRP is provided in the Table

C.1.1. In-kind support is considered in instances where program funding is constrained and a specific donor (for instance, WFP) is providing and overseeing the delivery of a particular item (such as food).

Table C.1.1. Cash Reinsertion Payments in MDRP – Supported Programs			
Program Country	Differentiation of cash payments?	Guideline for date of First Payment/approximate amount of First payment	Total Cash Reinsertion support per Beneficiary
Angola	No	Upon demobilization US\$100	US\$100
Burundi	Yes – by rank	Three months after demobilization; at least US\$250	US\$600 (average)
Democratic Republic of Congo	No	Upon demobilization; US\$50	US\$350
Republic of Congo	Yes – by date of demobilization	Within seven days of demobilization, US\$150	US\$150
Rwanda	Yes – for some target groups, by rank	Three months after demobilization, at least US\$100	US\$400 (average)
Uganda	No	Once an amnesty has been obtained; approximately US\$140	US\$140

8. Mindful of the possible leakages that can undermine cash payment systems, DRPs have instituted a number of safeguards in relation to reinsertion benefits payments. These include making payments to ex-combatants only in their region of return (and not at the time of demobilization), developing a robust ID system that is difficult to forge and can accommodate digital pictures in a master database, installing a management information system that links payments to the ID database, and verifying eligibility for both reinsertion payments and reintegration assistance through this database. Experience has shown that such measures can keep leakages in cash payments at a minimal level.

9. *Economic reintegration.* Ex-combatants are often a high-risk group due to their familiarity with weapons and violence. Where this is the case, targeted support is advisable to help them establish sustainable livelihoods. In order to be relevant and cost-effective, such assistance should be tailored to their socioeconomic profile and adjusted to the economic environment. Female ex-combatants often require customized support to establish sustainable livelihoods.

10. Several guiding principles apply for reintegration assistance: (i) it seeks to minimize market distortions and maximize beneficiary choice; (ii) it strives to provide assistance that leads to sustainable livelihoods, (iii) it seeks to involve communities of settlement and foster reconciliation; and (iv) to the extent possible, it is provided in such a way that it benefits the wider community. Reintegration assistance is offered in different forms, including the following: provision of information, counseling and referral services; microprojects (including agricultural and non-farm income-generating activities); provision of access to vocational training, formal and informal apprenticeship schemes and educational opportunities; employment; housing; provision of seeds and tools; and facilitation of access to land.

11. In general, ex-combatants should receive no more support than is necessary to help them attain the general standard of living of the communities into which they reintegrate. Furthermore, reintegration assistance should be limited in time to avoid the creation of a dependency syndrome. Information, counseling and referral services can assist ex-combatants to assess their livelihood options and find employment. Apprenticeships in the informal

sector combine the benefits of vocational training and employment and are thus preferable to training only. Micro-projects can help ex-combatants secure their economic independence and self-employment. They are, however, also complex interventions that require significant administrative capacity and a stable market environment.

12. Ultimately, ex-combatants are reintegrated into a broader economic context. The creation of viable long-term employment opportunities for ex-combatants is closely linked to private sector growth and associated employment generation. It should be noted that ex-combatants themselves can provide a significant human resource contribution to the civilian economy.

13. *Social reintegration.* Social reintegration is often eased by the support of an extended family network. Therefore, ex-combatants should be encouraged to reintegrate in the vicinity of their extended families. Informal networks of ex-combatants – discussion groups, ex-combatants associations, joint economic ventures – are important elements to successful economic and social reintegration. Efforts to structure assistance to ex-combatants such that communities of return benefit can offer incentives for collaboration and acceptance, thereby strengthening social capital. Care should be taken to prevent the stigmatization of ex-combatants as unfit for military service, as conveyers of disease and violence. Community sensitization and information efforts are paramount in this regard. The fears of communities related to the return of ex-combatants should also be addressed. Sensitization campaigns precede and prepare all the other phases of the program, and continue throughout the duration of the latter. They target the members armed forces and groups and the civilian population.

14. *Special target groups.* Special groups include those ex-combatants who are female, children, disabled or chronically ill.

- (i) *Women.* National programs provide targeted support for the social and economic reintegration of female ex-combatants and other women associated with armed forces. Specific measures would, for example, include: ensuring that the special needs of female ex-combatants are taken into account in the demobilization centers; ensuring that all benefits for ex-combatants are equal for and equally accessible to men and women; encouraging implementing partners to ensure that their reintegration support measures facilitate the participation of female ex-combatants; encouraging female ex-combatants to participate in existing women's associations; and monitoring the impact of the program on partners of ex-combatants and women in communities of return and bringing emerging problems to the attention of the respective authorities. Many of the women associated to armed forces self-demobilize to avoid stigmatization and then need to be encouraged to use formal D&R channels in order to benefit.
- (ii) *Disabled ex-combatants.* National programs provide assistance to disabled ex-combatants depending on the degree of disability. They reinforce relevant medical facilities to provide systematic prosthetic and physiotherapy services. In addition, they provide specialized economic reintegration assistance, to help disabled ex-combatants attain sustainable livelihoods. In cases where ex-combatants are too disabled to pursue economic activities themselves, national programs could permit the deferral of program benefits to a family member identified by the ex-combatant.
- (iii) *Chronically-ill ex-combatants.* National programs also seek to address the medical needs of chronically ill ex-combatants. The program endeavors to ensure to the

extent possible, access to medical care and counseling for chronically ill ex-combatants for a limited period of time after demobilization. In cases where ex-combatants are too ill to pursue economic activities themselves, national programs permit the deferral of program benefits to a family member identified by the ex-combatant.

- (iv) *Child ex-combatants.* Under the MDRP demobilization process, children are afforded priority assistance. Their demobilization is conducted by child protection agencies and specialized NGOs in collaboration with the respective governments. Child ex-combatants are identified through a specific screening procedure, and are separated from adult ex-combatants and from the military environment as soon as possible. Reintegration support for children addresses the long-term prospects of a child's livelihood and is family-friendly and community-oriented. Assistance is based on a medium-term commitment. It includes, in consultation with the child, family tracing and reunification, community reintegration, trauma counseling and psychosocial care, and facilitation of access to education (formal as well as non-formal) and vocational training in communities of settlement. If reintegration support created the perception that child ex-combatants are receiving special or privileged treatment, it might unwittingly entice large numbers of children to join the military. Reintegration assistance therefore seeks to meet the particular needs of child ex-combatants without engendering fear or resentment on the part of their communities and society in general.
- (v) *Dependents.* Dependents of ex-combatants returning as refugees or internally displaced follow the provisions of the relevant repatriation program. Close links are established between programs for ex-combatants and returning refugees and IDPs to avoid targeting errors.

15. *HIV/AIDS prevention and mitigation measures.* National programs under the MDRP contain an HIV/AIDS component. The objective is to provide sensitization and offer VCT to ex-combatants during demobilization as well as follow-up activities in communities of settlement. The MDRP coordinates closely with the national AIDS programs or similar efforts to assume responsibility for counseling and treatment of ex-combatants and their families during the program's reintegration phase.

Components of the MDRTSP

Component 1: Support to D&R country Programs

16. Reintegration support activities in the original MDRP had narrow objectives and limited budgets when they were designed (e.g. DRC, Burundi). Meanwhile cross-cutting themes (such as gender, disability and psychosocial support) were given lower priority due to competing implementation demands. Links to broader community recovery and peace-building activities that follow D&R activities were also limited. But as programs have become more mature and as capacity in implementing agencies has increased, focus has shifted to improved quality and improved effectiveness. The transitional trust fund would cover activities aimed at enhancing the quality of D&R operations. Themes to be supported would include but not be limited to: enhanced economic and social reintegration, support to gender equality and youth activities, support to disabled ex-combatants and families of ex-combatants, psychosocial support, and linkages to broad-based community recovery programs and peace building initiatives.

Box C.1.1: Example of enhanced reintegration proposed under the new D&R program in Burundi

Building upon lessons learned from the PNDRR, psycho-social support will be strengthened, and go beyond referrals by implementation partners resulting in vouchers for medication at a psychiatric center in Burundi. Additionally, the transitional social and economic reintegration support component will leverage its investments by capitalizing on linkages to longer-term development initiatives and, to the extent possible, by benefiting other vulnerable communities members in areas where there are high concentrations of demobilized. To this end, the project will encourage the participation of ex-combatants in associations composed of ex-combatants and other community members to implement income generating activities, as well as promoting a family-based, rather than individual-based support. The project will encourage spouse and family participation at some or all stages of reintegration support (activity choice, training, and implementation).

*The project will also build synergies with ongoing and planned development initiatives at the local level, such as community-driven development, agriculture, and public works projects, supported by the World Bank, UNDP, bilateral donors and international and national NGOs. To strengthen the economic opportunities of ECs, the project will also build synergies and referral mechanisms with existing micro-credit schemes. For example, the program will collaborate with the **Early Recovery and Reintegration UN Joint Program** that will support ex-combatants in their resettlement in host communities and employment in the private sector, as well as supporting micro-enterprise promotion and other income generating activities aiming at sustainable reintegration of this population. In addition, the program will also address issues related to the effective integration of ex-combatants into community-based decision making mechanisms.*

17. An overview of identified gaps in financing for D&R during the transition for which MDRTSP funds could be applied is also provided in the Table below.

Country	Remaining/Newly Emerging Caseload in Key MDRP Countries	Total Number of ECs by Country
Burundi	Beneficiaries currently going through D&R (~8,544) but who will not have time to complete the process before the current project closes Pending caseload: FNL Peace Process (including dissidents): peace agreement reached, maximum number of FNL Paliphetu 15,000 and FNL Dissidents 2,500.	26,044
CAR	Pending caseload arising from negotiations in Libreville: 4,500 ex-combatants.	4,500
DRC	Reintegration of some 19,000 militia armed group members in the East of the country – mapping currently in process Completion of socio-economic reintegration support for 40,000 demobilized ex-combatants (old case load) D&R of some 23,000 FARDC who did not go through the DDR process before the Dec 2006 deadline (new caseload) Reintegration support to 9,000 children from armed forces Specialized support to disabled ex-combatants (5000)	96,000 (42,000 new; 40,000 pending; 9,000 children and 5,000 disabled)
Rwanda New TF: around \$10 million	Pending caseload an estimated 5,500 combatants of Rwandese armed groups (mostly FDLR/FOCA) returning to Rwanda A further 4,000 soldiers of the Rwanda Defense Force Specialized medical and socio-economic reintegration assistance to disabled ex-combatants	9,500
Uganda New TF: USD \$ 8.25 million	Up to 5,000 are expected to demobilize from the LRA and ADF; 1,800 have already reported, but are still awaiting their reinsertion support; and	6,800
TOTAL		142,844

18. To date, not all regional and national needs have been analyzed. For example, due the crisis in eastern DRC, the financing needs that will arise if there is a political breakthrough and/ or if there is a repatriation of non-Congolese ex-combatants are unknown. Specific and ongoing needs include the following:

- An existing case-load of combatants remains to be demobilized or reintegrated which for one reason or another have not yet been reached (Burundi, Congo, DRC, Rwanda, Uganda);
- Potential new case-loads of combatants exist in some of the seven active MDRP countries that the program could or should possibly address (e.g. CAR);
- Continued interest among national governments and key partners in retaining a regional forum for discussing and addressing cross-border issues related, such as Combatants on Foreign Soils (COFS) for instance, with the *Forces Démocratiques pour la Liberation du Rwanda* or the *Lords Resistance Army*, and to support learning, information sharing and exchange between stakeholders, and training of national program staff;
- Technical assistance and support remain essential to the success of those national programs that have secured co-financing outside of the MDRP Trust Fund (DRC, Uganda, and Burundi); and
- Harmonized and coordinated approaches are still required in those same countries where parallel financing has been or is being secured and that could be guaranteed through a regional approach.

Component 2: Support to D&R Regional and cross-cutting activities

19. This component would support activities related to D&R that are regional in nature and would not be covered under the country programs in order to strengthen regional, cross-border and cross-cutting activities that transcend national borders and are central to the overall success of the program. The component would focus on three themes in particular: (a) combatants on foreign soils (COFS); (b) analytical work; and (c) regional gender activities, as described below.

- **COFS:** over the years, the MDRP played a discrete role in the analysis of the socio-political situation relating to non-Congolese armed groups in eastern DRC, facilitating COFS repatriation in cooperation with governments and relevant other actors, communications of repatriation benefits, capacity building of local actors, and analytical work. This work would be deepened and strengthened during the transition phase with the focus being on: (a) analysis; (b) communications and sensitization; and (c) capacity building of actors/institutions involved in COFS activities.
- **Gender:** activities to be financed would build on the Learning for Equality, Access and Peace (LEAP) Program, which was launched late in the life of the original MDRP and thus did not have enough time to take hold. This component would support cross-country gender activities such as multi-country pilot programs, studies, and conferences and learning. The focus of gender activities will be on: (a) institutionalizing gender in D&R; (b) women associated with fighting forces; (c) sexual violence; and (d) young men at risk. These activities will be implemented through partners under special projects.

- **Analyses and Learning:** Research on D&R worldwide has been limited given the relative newness of the field, the nature of post-conflict environments that hinder thorough analysis, and the urgency to execute D&R operations. The proposed transition phase would thus devote dedicated resources for research on D&R and related activities with a focus on the impact of reintegration, effective approaches to dealing with special needs groups, national ownership, implementation arrangements etc. As noted above, resources would also be invested in evaluating the original MDRP, given the unavailability of funds for this purpose during the implementation of the MDRP.

Component 3: Program Management, Technical Advisory Services and Coordination

19. This component will cover the costs of a small technical team to manage the transition, provide the needed supplemental supervision of the D&R programs and technical assistance to countries, coordinate the program and manage the regional partnership through financing meetings, joint partner missions, visits to capitals, communications, reporting, policy guidance, trust fund coordination, and monitoring and evaluation.

20. The MDRTSP Secretariat will coordinate international efforts under the MDRP and administer the MDTF. It would report to the MDRP/AC and to World Bank management. Specific responsibilities would include, among others:

- (i) organization of meetings of the MDRP/AC, the MDTF/SC, and the TCG;
- (ii) organization of identification, supervision and evaluation missions by focal points;
- (iii) resource mobilization for national programs and special projects within the MDRP framework. To this end, an MDRP financing database is established to facilitate the tracking of resources;
- (iv) establishment of a comprehensive data base on beneficiaries of national programs and special projects;
- (v) provision of guidelines and technical advisory services for national planners;
- (vi) recruitment of consultants to carry out regional activities;
- (vii) coordination with security and political stakeholders represented in the MDRP/AC to ensure complementarity with MDRP activities;
- (viii) consolidated progress reporting of DDR activities in order to enable stakeholders to assess MDRP progress; and
- (ix) development and execution of a communication and sensitization strategy for the MDRP.

Beneficiaries/Targeting

Direct beneficiaries of D&R activities

21 Based on lessons learnt from several war to peace transitions, most notably in Liberia in 1997 and Kosovo in 2001, the original MDRP and the MDRTSP have chosen to provide direct support for demobilization and reintegration of ex-soldiers and guerillas. Several reasons underlie this choice: (i) reintegration assistance is generally part of a political settlement often included in peace agreements; (ii) the assistance represents a compensation for the termination of contractual agreements for ex-combatants of national armies who are giving up paid employment and job security; (iii) failed reintegration of ex-combatants could jeopardize the peace-building process because of risks of new violent political opposition or increased banditry and insecurity that could inhibit recovery and development efforts; and

(iv) since ex-combatants are often at their most productive age, this assistance can be considered as an investment in development.

22. In general, identification of ex-combatants raises particular challenges. Soldiers from government forces are demobilized on the basis of technical criteria determined by national armies and/or peace agreements. Such criteria could include voluntary termination, age and medical reasons (disability, chronic illness, etc.). The identification of a member of irregular forces and the verification of his/her status as combatant are an essential task to avoid abuse of the system, cost overruns (open-ended case load), provision of incentives to take up arms and ultimately failure. Formal eligibility criteria agreed upon by all parties - such as self-identification, proven affiliation with a known armed group, and/or proof of military ability (e.g., weapons handling) -, a practical system to screen and verify combatant status on the ground, and a robust identification and management information system to track beneficiaries and the delivery of benefits are therefore critical to the success of DDR programs.

23. A non-transferable identification system and a beneficiary database have been developed for each national program and special project. These databases are harmonized so as to reduce the risk that ex-combatants benefit from several DDR activities.

24. Expanding the mandate of the program beyond its specific beneficiaries to include internally displaced persons (IDPs), returning refugees, war widows/female headed households, war orphans and communities affected by the conflict risks diluting the main purpose of the program. It is also a recognition that assistance to these groups is more efficiently provided by other partners with appropriate mandates and capacities (UNHCR, WFP, UNICEF, ILO, UNDP, bilateral donors and numerous NGOs) and through development programs of multilateral organizations.

25. Specific measures are needed to prevent the targeting process for excluding legitimate “combatants” such as child soldiers or women associated with fighting forces, and for introducing inequity by providing assistance to ex-combatants above the level of assistance provided to other war-affected groups and communities or perception of reward being given to perpetrators of human rights violations. These measures that will be applied within the MDRTSP include: (i) requirement that specialized partners dealing with women and children are present and can participate in the initial “take-in” process of DDR program to ensure that they are not excluded and receive proper care and assistance; (ii) establishment of enhanced linkages with other programs supporting other affected groups and broader recovery planning and PRSP process; (iii) provision of support to community-based reintegration activities for ex-combatants that have a higher multiplier effect; (iv) to include partners and children of ex-combatants in reintegration decision making and sensitization; and (v) monitoring the reintegration of ex-combatants and their families and share this information widely with other partners.

Geographical Targeting

26. Under the original MDRP, the greater GLR comprises all those countries involved in or affected by one or more conflicts in central Africa. These include: the People’s Republic of Angola, the Republic of Burundi, the Central African Republic, the Republic of Congo, the Democratic Republic of Congo, the Republic of Namibia, the Republic of Rwanda, the Republic of Uganda, and Zimbabwe. However, Namibia and Zimbabwe never benefited from any support of the program. For MDRTSP, the original seven countries of the GLR are covered, namely, Angola, Central African Republic (CAR), Burundi, Democratic Republic of

Congo (DRC), Republic of Congo (RoC), Rwanda and Uganda, with a special focus on fragile states, i.e. Burundi, CAR and DRC. Funding for D&R under the program will focus but not be restricted to these fragile states and Rwanda, while the other countries will benefit from regional activities such as knowledge sharing.

Guiding Principles for National Programs

27. The national programs are guided by the following principles that will be followed during implementation of the mDRTSP:

- (i) Support to national ownership of programs;
- (ii) Support to comprehensive programs addressing the needs of all ex-combatants of that country;
- (iii) Beneficiary involvement in program design and implementation from the outset;
- (iv) Participation and involvement of local authorities and communities;
- (v) Coordination and partnerships;
- (vi) Links to economic reconstruction efforts. in order to benefit from associated employment opportunities and to contribute actively to local reconciliation and recovery efforts.

ANNEX C2: Link with Security Sector Reform

1. Security sector reform is beyond the scope of the regional strategy and program but is often closely linked with a national DRP. Because of the political sensitivity associated with this area and the lack of mandate for multilateral development banks (WB, ADB) in the area of defence and security, collaboration with bilateral donors is vital. In particular, bilateral donors are in a better position to verify that no new recruitment takes place after demobilization and that the reduction in force is achieved as planned. It should be noted that in cases where peace accords foresee the unification of forces to be followed by demobilization, national DRPs will lead to a reduction in force and in the defense budget over time.
2. Bilateral support could also be provided for activities including army restructuring after an integration of forces (such as in Burundi and the DRC), civil-military relations, public expenditure management, and capacity building of national armed forces. Demobilization would, therefore, be accompanied by an increased focus of DDR partners on accountability, comprehensiveness and transparency in the public expenditure management process for military expenditure.
3. Substantial reforms are needed in some of the GLR in the Defense and Justice Sectors, which will be indispensable in order to set up, implement and enforce improvements needed for the protection of populations affected by war and the establishment of a lasting regional peace. These reforms have been repeatedly advocated for by the international community of donors and some of the GLR countries. GLR ministries of justice and defense will establish within the framework of the regional project close policy dialogue on the progress.
4. In effect, Ministries of Defense in some countries need to prevent officers or soldiers to commit human rights violations often reported by victim populations in the affected areas, in particular gender based violence. Reforms should ensure that war crimes including GBV will be reported, judged and sanctioned. There is a necessary link to make between DDR and transitional justice in order to reach effective social reconstruction, reconciliation and democratization through due recognition given to victims and construction of civic trust.
5. The implementation of these reforms and measures will be discussed during regional coordination meetings of the program. Progress and outcomes will be evaluated on a regular basis. The program will supply an appropriate level of technical support to facilitate the implementation of reforms in this sector.
6. The original MDRP made strides in forming linkages between D&R and broader SSR, funding a study on SSR, facilitating a national seminar on SSR in CAR, and leveraging resources for public expenditure reviews of the security sector in countries such as CAR and DRC. However, given that security sector demands (such as military rationalization) often follows on D&R operations, these linkages should be further strengthened. During the transition phase, these synergies will be enhanced, e.g. in Burundi.
7. An outline of current efforts in a few of the countries in GLR in tandem with demobilization programs is provided in the Table C2.1 below.

Table C2.1 : Security Sector Reform Processes in the Great Lakes Region:

COUNTRY	SECTOR REFORM	KEY INTERNATIONAL ACTORS
Central Africa Republic	August 2007, MDRP launched a mapping study of the security sector in CAR leading to first comprehensive review. November 2007 National Conference on SSR leading to action plan adopted by the government including professionalization of military and police.	UNDP, European Commission, France
Burundi	Downsizing and professionalization of the army and police as well as conformity with the Arusha agreements on ethnic balance.	Security Sector Unit in BINUB and lead taken by Netherlands
Democratic Republic of Congo	Military integration of all former belligerents, training of military brigades and redeployment. Financial management. Police, gendarmerie and criminal justice reform.	Security Sector Unit, MONUC, European Union Security Sector Unit, EUSEC, and donor leads of DfID, France, Belgium, Angola and US.
Uganda	Defense policy review adopted by Parliament in 2006. Work on public financial management and procurement systems.	DfID/ UK

CORRIGENDUM*

Please note that paragraphs 4.1.6 on page 11 and 5.2 on page 15 of the above mentioned report should read as follows:

4.1.6 All procurement of goods and works and acquisition of consulting services financed by the MDTF will be in accordance with the Procurement Guidelines under IBRD Loans and IDA Credits, May 2004 (Revised October 2006) using relevant World Bank Standard Bidding Documents.

5.2 The protocol agreement will become effective in accordance with the provisions of the General Conditions Applicable to Protocol Agreements relating to ADF activities. It should be noted that the establishment of the MDTF for the MDRTSP by the World Bank is in progress. The draft Trust Fund Proposal has been reviewed and found acceptable by the Bank.

MULTINATIONAL

MULTI-COUNTRY DEMOBILIZATION AND REINTEGRATION TRANSITIONAL SUPPORT PROGRAM (MDRTSP)

CORRIGENDUM

It will be recalled that the Multi-Country Demobilization and Reintegration Transitional Support Program (MDRTSP) supports the transition phase from the original Multi-Country Demobilization and Reintegration Program (MDRP) set out in 2002 and closed in June 2009 to a potential phase II of the program under discussion amongst MDRP stakeholders. The development objective of the MDRTSP is consistent with the original goal of the MDRP, that is, to improve the prospects for peace building and economic recovery in the Great Lakes Region (GLR) by financing demobilization and reintegration (D&R) activities. Its specific objective is to facilitate the effective reintegration of ex-combatants (ECs) in the GLR during the transition period.

The grant relating to this programme, amounting to UA 14 Million has been approved by the Board during its meeting on February 25th, 2009. However, the letter of agreement relating to the grant has not yet been signed because of the delay experienced by the World Bank in its internal process of approving the Trust Fund that occurred only on May 12th, 2009. During recent discussions with the Bank, the World Bank expressed its concern about the difficulties it has to manage its exposure to exchange rate risk. In order to reduce this risk, taking into account the large number of donors, the World Bank would have liked to express all donor contributions in US Dollars in the letter of agreement. Since the ADF grant was approved in UA and its contribution shall only be expressed in UA, the ADF and the World Bank have agreed to the following:

- ADF contribution will remain expressed in UA;
- The disbursement of the ADF contribution will however be in one tranche instead of two as previously agreed upon; and
- The conditions relating to the second disbursement will be waived. These pertained to submission of: (i) the most recent quarterly report of activities; (ii) the most recent audit reports of the trust fund; (iii) the annual budget of the program; (iv) the annual action plan of the program; and (v) evidence that these documents have been approved by the Trust Fund Committee of the program”.

The justification for this change is that the disbursement in one tranche will reduce the exchange rate risk for the manager of the Trust Fund and the recipients of the grant denominated in UA. Moreover, the above-mentioned documents requested from the World Bank will be transmitted automatically to all Trust Fund donors on a regular basis. Therefore, submission of these documents as a condition of disbursement does not add value.

Hence, the appraisal report of the MDRTSP will be modified as follows:

1) Page 13 – Disbursement

Paragraph 4.1.8 of the report (quoted below) shall be changed in order to take into account the disbursement in one tranche. Wording of paragraph 4.1.8:

“4.1.8 The first disbursement of ADF resources shall be subject to effectiveness of the agreement and the presentation to the Fund of the 2009 budget and an annual action plan. It is proposed to disburse ADF resources in two tranches of UA 7 million each. Before the second disbursement, the Technical Secretariat shall submit, as an annex to the request for disbursement, and to the satisfaction of the Bank: (i) the most recent quarterly report of activities; (ii) the most recent audit reports of the trust fund; (iii) the annual budget of the program; (iv) the annual action plan of the program; and (v) evidence that these documents have been approved by the Trust Fund Committee of the program.”

The new paragraph 4.1.8 shall read as follows:

“It is proposed to disburse ADF resources in one tranche amounting to UA 14 million. The disbursement of ADF resources shall be subject to effectiveness of the agreement and the submission to the Fund of the 2009 budget and an annual action plan.”

2) Pages 16 & 17 – Section 5.2 Conditions associated with Bank’s intervention

The two sub-paragraphs with the respective titles “Conditions precedent to first disbursement” and “Conditions precedent to second disbursement” shall be cancelled and replaced by one single sub-paragraph as follows:

“Conditions Precedent to Disbursement

The disbursement of UA 14 million shall be subject to effectiveness of the agreement and the presentation to the Fund of the 2009 budget and the annual action plan integrating complementary activities aimed at strengthening the implementation strategy in the targeted countries.”