PROJECT INFORMATION DOCUMENT (PID) ADDITIONAL FINANCING

Report No.: PIDA23366

| Description of Nices | Davis Emanage Ushan Env. 2nd Add Ein (D154601) | |
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| Project Name | Benin Emergency Urban Env. 2nd Add. Fin. (P154601) | |
| Parent Project Name | Benin Emergency Urban Env. Project (P113145) | |
| Region | AFRICA | |
| Country | Benin | |
| Sector(s) | General water, sanitation and flood protection sector (55%), Solid waste management (25%), Sub-national government administration (2 0%) | |
| Theme(s) | Natural disaster management (35%), Municipal governance and institution building (25%), Other urban development (40%) | |
| Lending Instrument | Investment Project Financing | |
| Project ID | P154601 | |
| Parent Project ID | P113145 | |
| Borrower(s) | Ministry Of Urban Planning, Housing and Sanitation | |
| Implementing Agency | AGETUR SA | |
| Environmental Category | B-Partial Assessment | |
| Date PID Prepared/Updated | 27-Mar-2015 | |
| Date PID Approved/Disclosed | 27-Mar-2015 | |
| Estimated Date of Appraisal Completion | 27-Mar-2015 | |
| Estimated Date of Board Approval | 27-May-2015 | |
| Appraisal Review Decision (from Decision Note) | The review did authorize the team to appraise and negotiate | |

I. Project Context Country Context

Benin is a coastal country with a population of ten million people and a per capita annual income of approximately US\$820 in 2014. The agricultural sector accounts for over 30 percent of the Gross Domestic Product (GDP) and provides employment to about 70 percent of the workforce. GDP growth over the last two decades has averaged four percent annually, below the Sub-Saharan Africa average of 4.6 percent. Benin's economy is characterized by a high degree of informality, with informal activities representing as much as 75 percent of the total economy. Poverty remains widespread. Presidential elections since the National Conference of 1990 have been generally considered free and fair; and transfers of power have been peaceful. In March 2011, Dr. Boni Yayi was re-elected to a second and final five-year Presidential term, and his alliance won a comfortable majority in the National Assembly. With a new mandate and cooperative and supportive legislature, the President embarked on reform programs, such as the Port of Cotonou, civil service, and

strengthening public financial management systems. The Government organized a Round Table on development financing from June 17-19, 2014 in Paris, in an effort to mobilize the public and private financing necessary to fast-track the Poverty Reduction and Growth Strategy (SCRP). Donors and private investors pledged a record US\$10.4 billion, against a funding gap of US\$6.7 billion, over the period 2014-2018.

Sectoral and institutional Context

Impact of the 2010 floods. During the 2010 rainy season, Benin, together with most countries in West and Central Africa, suffered from heavy precipitation and flooding. Beginning in the middle of September 2010, unseasonably heavy rains struck the entire country, with precipitation levels the highest since the beginning of the last century. The rising water levels took populations by surprise, and surpassed their traditional preventive, response and resilience mechanisms. As mentioned, the 2010 flood disaster affected more than 680,000 people and caused the death of 46 persons. Fifty-five out of 77 municipalities were affected to varying degrees. More than 50,000 houses were destroyed and 150,000 people were left without shelter. In addition, 278 schools were flooded, 128,000 hectares of crops and farmland were ruined, and an estimated 12,000 metric tons of food stocks were lost due to destroyed storage facilities. Aside from loss of assets, loss of income and rise in prices due to scarcity of agricultural products reduced, the purchasing power of a number of households was reduced with an increased poverty incidence. More acute in rural areas, where the poorest and most vulnerable reside, the poverty rate increased by 1.1 points, equivalent to 96,514 individuals or 19,303 households. Food insecurity has also increased sharply within the affected areas as reported by the World Food Program.

In cities and Cotonou in particular, uncontrolled urban growth and poor environmental management had been responsible for much of the damage: occupation of low-lying areas and zones historically known to be liable to flooding obstructed the natural channels for storm water, and most of the existing drains and channels had been non-functional and clogged with solid wastes, vegetation and mud. In addition, access to sanitation had been limited, and there were no functioning sewage system or wastewater treatment facilities. Finally, the country was lacking a comprehensive management system of household waste. Consequently, Cotonou's flat topography and high water table faced a mix of rain runoff with latrine and septic tanks' contents during the floods, resulting in an increase of waterborne diseases in the aftermath of the floods.

The Benin Emergency Urban Environment Project (BEUEP). On September 30, 2010, the President of Benin wrote to the President of the World Bank in request for support; this request was reiterated by the Beninese Delegation during the World Bank's Annual Meetings in Washington that year. In response, the World Bank sent a multi-sectoral scoping team to Benin in early October 2010 to carry out a preliminary assessment of the damages from the flooding, and make recommendations. The mission comprised site visits, a fly-over, and meetings with United Nations (UN) agencies, Non-Governmental Organization (NGOs), and the Beninese Inter-ministerial Crisis Committee. The key recommendation of the scoping mission was to immediately undertake a Post Disaster Needs Assessment (PDNA); and in November 2011, a mission comprising staff from the World Bank, the UN system, the European Commission and the Global Fund for Disaster Relief and Recovery (GFDRR) worked jointly with the GoB to prepare the PDNA. A direct output of the PDNA was the Benin Emergency Urban Environment Project.

The BEUEP was approved on April 26, 2011 and was declared effective on December 13, 2011.

The project is domiciled in the Ministry of Urban Planning, Housing and Sanitation (MUHS). As a flagship project of the GoB for addressing the consequences of the 2010 flooding disaster, the project has been funding investments in the drainage infrastructure network, improved collection of municipal solid waste in Cotonou and neighboring municipalities, wastewater treatment, and preparedness and adaptation to natural disasters-climate change continuum in urban planning. The first AF that was declared effective on December 17, 2014 complements the parent project's interventions by: i) increasing the scope of the work on the clogged drainage network beyond the original BEUP Project scope (by 2.1 km, thereby benefitting at least 10,000 additional residents); ii) increasing the number of pilot low-cost wastewater and sanitation sub-projects; and iii) providing technical support to the newly created National Flood Disaster Agency (ANPC)and the newly created Department of Climate Change Adaptation.

In a letter dated February 3, 2015, the Government requested additional support from the Bank in the amount of US\$40 million. The proposed AF will help finance costs associated with scaling up the BEUEP activities to enhance the impact and developmental effectiveness. The AF will assist the GoB address clogged drainage networks that require scouring, re-calibration and modification; construct additional solid waste transfer stations and collection points; undertake a feasibility and technical study for an operational flood early warning system; undertake technical studies for selected sites on urban coastal management; and reinforce contingency plans and coastal emergency preparedness.

The Project Development Objective (PDO) of the proposed AF is the same as the BEUEP's (see below). The BEUEP, the first AF and the proposed AF have a closing date of December 31, 2016. The proposed AF is consistent with paragraph 26 of OP10.00 (Investment Project Financing), under which the International Development Association may provide Additional Financing for Investment Lending for scaling up the development effectiveness of a well performing project.

II. Proposed Development Objectives

A. Current Project Development Objectives – Parent

To improve infrastructure and mitigate the negative environmental impact of floods in Cotonou Agglomeration and to increase Benin level of preparedness for future flooding.

III. Project Description

Component Name

Drainage improvement and rehabilitation

Comments (optional)

The activities planned for this component will benefit additional 95,000 people at least. The activities include (i) cleaning approximately additional 3.4 km of existing canals in Cotonou; (ii) rehabilitating and extending approximately additional 8.1 km of substandard and unsound drainage structures, resurfacing the inner walls of drains in Cotonou, Porto-Novo, and Ouidah; (iii) rehabilitating shoulders and side ditches along the secondary drainage network that drains into the lagoon in Cotonou and Porto Novo; and (iv) constructing and expanding additional three storm water retention ponds, including fencing for both, linking them to a network of canals (some expanded in size) to drain them into the lagoon. The proposed AF will also finance a drainage master plans

Component Name

Municipal solid waste management

Comments (optional)

The planned activities complement the efforts in the parent project by:

- (i) The construction of additional collection points in Abomey-Calavi and Ouidah municipalities; construction of transfer stations in Seme-Podji and Abomey-Calavi municipalities; and purchase of SWM transportation equipment in the participating municipalities to assist in the transportation of wastes from the collection points/transfer stations to the nearest landfill facility; and
- (ii) Developing a financing study on the SWM chain and Public-Private Partnership (PPP) in Cotonou, and a harmonized SWM master plan covering the municipalities of Cotonou, Abomey-Calavi, Ouidah, Seme-Podji and Porto-Novo.

Component Name

Improved Wastewater Management and Sanitation

Comments (optional)

This activity is proposed with a view to mitigating the negative environmental impacts and health hazards resulting from the mix of rain runoff with latrine and septic tank contents during the floods. The parent project and the first AF are funding technical assistance for wastewater management; wastewater master plans for Cotonou, Abomey-Calavi, Seme-Podji and Porto-Novo; and wastewater pilots for sanitation and sewage management. These wastewater pilots will evolve from the master plans of wastewater under preparation. The second AF does not finance activities under this component.

Component Name

Flooding and disaster risk preparedness and management

Comments (optional)

Planned activities consist of: (i) undertaking the feasibility and technical study for an operational FEWS, an activity whose cost was originally underestimated in the initial project design; and (ii) undertaking technical studies for selected sites on urban coastal management. Using the National Budget and funds from BADEA, the feasibility and environmental studies are in the process of being prepared. The selected sites are the axis between Hilla-condji and Grand-Popo and the CAME site; and (iii) communication and sensitization on coastal contingency plans and emergency preparedness.

Component Name

Project Management

Comments (optional)

Effective and efficient management support for project implementation, including development and operationalization of an effective and efficient Monitoring and Evaluation (M&E) system, and all fiduciary requirements. The second AF provides effective management support, in particular as the parent project closing date was extended by 12 months on January 12, 2015.

IV. Financing (in USD Million)

| Total Project Cost: | 40.00 | Total Bank Financing: | 40.00 |
|-----------------------|-------|-----------------------|--------|
| Financing Gap: | 0.00 | | |
| For Loans/Credits/Otl | ners | | Amount |

| BORROWER/RECIPIENT | 0.00 |
|---|-------|
| International Development Association (IDA) | 40.00 |
| Total | 40.00 |

V. Implementation

As in the parent project, implementation of the second AF activities will be delegated to the BEUEP's two executing agencies, the Society for Regional Study of Urban Habitats and Planning (SERHAU) and the Public Works Executing Agency (AGETUR). The existing agreements between the GoB and the agencies, and agreements between the participating municipalities and agencies, will apply. The expansion of the mandate of these agencies in accordance with Section 1.B of Schedule 2 to the Financing Agreement of the parent project is part of the AF conditions of effectiveness. SERHAU and AGETUR have proven track record in delegated contract management under World Bank and other donor-funded projects; and they both operate finance and accounting systems acceptable to the World Bank. These entities shall continue to be responsible for the technical and fiduciary aspects (financial management (FM) and procurement) of the components, including AF activities. AGETUR will continue to be responsible for tendering technical studies, major infrastructure works and works supervision (components 1 and 2); while SERHAU will continue to cover studies and technical assistance under components 2 and 4.

VI. Safeguard Policies (including public consultation)

| Safeguard Policies Triggered by the Project | Yes | No |
|--|-----|----|
| Environmental Assessment OP/BP 4.01 | X | |
| Natural Habitats OP/BP 4.04 | | × |
| Forests OP/BP 4.36 | | × |
| Pest Management OP 4.09 | | × |
| Physical Cultural Resources OP/BP 4.11 | | × |
| Indigenous Peoples OP/BP 4.10 | | × |
| Involuntary Resettlement OP/BP 4.12 | X | |
| Safety of Dams OP/BP 4.37 | | × |
| Projects on International Waterways OP/BP 7.50 | | × |
| Projects in Disputed Areas OP/BP 7.60 | | X |

Comments (optional)

The existing ESMF and RPF of the parent project has been revised slightly to incorporates the new activities. The revised instruments have been disclosed in-country and at the Infoshop on March 10, 2015 and March 12, 2015 respectively. The parent project has had satisfactory rating on safeguards implementation since effectiveness. The executing agency (AGETUR) and Project Management Unit (CSS) has dedicated environmental and social specialists following up safeguards issues and concerns.

VII. Contact point

World Bank

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Borrower/Client/Recipient

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