

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC1105

Date ISDS Prepared/Updated: 09-Dec-2014

Date ISDS Approved/Disclosed: 09-Feb-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Benin	Project ID:	P147014
Project Name:	Public Investment Management and Governance Support Project (P147014)		
Task Team Leader(s):	Robert A. Yungu		
Estimated Appraisal Date:	25-Jan-2016	Estimated Board Date:	29-Mar-2016
Managing Unit:	GGO13	Lending Instrument:	Investment Project Financing
Sector(s):	Central government administration (100%)		
Theme(s):	Administrative and civil service reform (60%), Managing for development results (40%)		
Financing (In USD Million)			
Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

B. Project Objectives

The project development objective is to strengthen public investment management effectiveness and enhance public sector accountability in Benin.

C. Project Description

The project builds on the action plan and recommendations formulated through a national consensus approach by Beninese stakeholders during the earlier stage of the framework diagnostic of the

Benin's PIM carried out by a World Bank team. It would be implemented over a four-year period and would finance high level workshops, training programs, coaching, technical assistance, and information management systems upgrade.

The project includes two main components which seek, on one hand, to tackle the shortcomings and weaknesses of the PIM system and, on the other hand, to address underlying governance and public administration issues which impact the PIM. The two components are: (i) Enhancing the Public Investment System; and (ii) Strengthening Governance and the quality of Public Administration. A third component deals more generally with the aspects of coordination and management of the project.

Component 1: Enhancing the Public Investment Management (US\$17.0 million)

This component incorporates key consensus-driven recommendations during the diagnostic stage of the PIM framework.

Sub-component 1.1 : Strategic guidance and Appraisal (US\$4.0 million)

Support will be provided to ensure that proposed investment projects are aligned with strategic priorities and meet eligibility criteria. The main envisaged activities include:

- Elaboration of a PIM manual to serve as a mandatory reference framework for the preparation and implementation of projects. The manual will include key guidelines on the preparation and elements of the concept note, appraisal, supervision, and contract management. A systematic assessment will be carried out at the appraisal stage to decide whether a project should be taken forward as a PPP or not.
- Strengthening of the gatekeeping role in the Ministry of Planning to ensure centralized and independent appraisal of projects.
- Strengthening of the financial and risk management role of the Ministry of Finance, especially regarding contingency liabilities for the Government in the case of PPPs.
- Compliance with the calendar for PIP, MTEF, budget preparation, and submission to the Parliament
- Development of mechanisms to facilitate a shift to multi-year contracts
- Development of an integrated planning and programming information system (SINAPSE) connected with SIGFIP (budget execution system) SIGMAP (procurement management system), and the Enterprise Architecture framework
- High level workshop and training programs in investment decision-making, contingency valuation, earned value analysis, etc.,
- Technical Assistance to government investment entities in the application of project appraisal techniques learned.

Sub-component 1.2: Annual Budgeting and Project Selection (US\$2.0 million)

Support will be provided to prevent un-vetted projects from 'jumping the fence' (for political or opportunistic reasons), and to ensure implementation readiness. The following activities are envisaged:

- Elaboration of guidelines on vetted projects, PIP, recurrent expenditures, inclusion of procurement plans into the budget preparation

- Seminar and training programs in multi-year and annual budgeting, procurement, procurement plans (PPMs), annual work plan (PTAs), and credits consumption plan (PCCs)
- Budgeting and procurement information management system upgrade
- Technical Assistance to MEF and Directorate of Financial and Assets Management (DRFM) in line ministries in the application of annual budgeting and project selection learned.

Sub-component 1.3: Project Implementation (US\$4.0 million)

The capacity needed to ensure more rapid execution of projects or divestment will be provided. Some of the proposed key activities include:

- Seminar and training programs in budget execution, project management, contract management
- organization of monthly ministerial working meetings with credit administrators, chief accountants of MoD, Planning and Programming Directorate (DPP), Directorate of Financial and Assets Management (DRFM), and Directorate of Financial Control (DCF) to document, justify, and prioritize requests for validation of financial transactions made to the MoF
- Modernization of the processing circuit for investment expenditures under capital transfer (Title VI) to ensure alignment with investments managed by the State (Title V)
- Development of the electronic management of tender processes (e-procurement) as provided by the Procurement Law and introduction of a bidder pre-qualification process and a categorization of enterprises
- Development of standardized technical specifications for the acquisition of common items to assist the Directorate of Public Procurement (DNCMP) in evaluating technical aspects of tender packages.
- Development of ministerial commitment plans and a consolidated forecasting plan issued by the General Directorate of Budget (DGB) with respect to the overall national budget

Sub-component 1.4: Project Evaluation and Audit (US\$2.0 million)

In order to evaluate project results against expected objectives, learn from them for better design of future projects, and ensure compliance with fiduciary procedures, the following activities are proposed:

- Seminar and training programs in project evaluation and audit
- Production of a unified quarterly consolidating information on financial, economic and physical execution
- Systemize the organization of joint biannual site visits of a sample of projects (risk-based selection) and ensure follow-up of recommendations including positive or negative rewards
- Introduce risk-based auditing, reduce a priori controls, and strengthen subsequent verification processes.
- Strengthen the technical capacity of the Chamber of Accounts pending the establishment of an Independent Court of Accounts
- Strengthen the technical oversight of the National Assembly.

Sub-component 1.5: Public Private Partnerships (US\$5.0 million)

Given the complexity of PPP and the central role that they play in leveraging external financing for transformational projects, particular attention will be given to this type of investments for which the

recommendations highlighted above for traditional public investments will still apply.

PPP portfolio includes a mixed bag of highly complex economic infrastructure projects and small-scale social infrastructure projects, which both require different treatments. The main economic infrastructure projects, for which the Government generally seeks funding for external partners like during the Paris Roundtable meeting in June 2014, include: (i) the railway Niamey-Cotonou, (ii) the new airport; (iii) the deep water port; (iv) energy production, restructuring, and distribution projects; etc. Generally, these high-caliber projects are centrally managed from Cotonou. By contrast, small-scale social projects in water or education sectors are decentralized and managed by communes.

The PPP law is currently under preparation, and there are many key areas which have not yet been adequately addressed in the current version. These include: (i) the institutional framework; (ii) the anchorage of the PPP unit; (iii) the disclosure of contractual conditions and actual contract performance; and (iv) contract management and fiscal management of PPPs. The treatment of unsolicited proposals for which exemption of competitive bidding applies, and which is great concern, especially given that the threshold for PPP sole-sourcing is 100 million US dollars.

The following support activities are envisaged:

- Technical assistance and advisory services to the Government for tightening and improving the PPP law by addressing existing gaps in the current draft mentioned above.
- Streamline and strengthen the institutional framework governing PPPs (currently, there are overlaps from many institutions dealing with PPPs)
- Rapid assessment of proposed PPPs for which there are no feasibility studies
- Revise the decree governing procurement, particularly the sole sourcing selection method that is granted to unsolicited proposals
- Elaborate the PPP operational manual. The manual will help, among other things, clarify the processes and steps to follow for identifying projects, hiring transaction advisors, preparing an outline business case/pre-feasibility and feasibility studies, appraising projects, choosing procurement method, and managing risks.
- Roll out a series of seminar and training programs on PPP which will be tailored to specific audiences and interests (financial risks, procurement, appraisal, contract management, performance management, negotiations, etc.)
- Technical assistance in appraisal, implementation, contract management, and evaluation for four high profile PPPs.

Component 2: Strengthening Governance and Public Administration (US\$15.0 million)

To ensure effective implementation and long-term success of the proposed PIM activities described above, it is critical that broader support on governance and change management be also provided. In the absence of dedicated activities and systems to bring in more accountability, transparency, and participation achieving long-term success in PIM and generally in any institutional reform program would be elusive.

Thus, this second component will support activities to improve public sector information system (e-governance) and strengthen judiciary and parliamentary capacity. Furthermore it will provide change management tools and training in leadership, coaching and results-based management to cultivate a culture of collaboration for results and to develop real ownership of reforms within the

administration.

Sub-Component 2.1: Institutional Strengthening (US\$8.0 million)

In addition to technical capacity that the actors involved in the PIM chain will acquire through training, guidance, and systems upgrade, another equally important and perhaps more fundamental dimension is governance and institutional capacity. As indicated earlier, the issues of overlaps, lack of accountability, corruption, justice, and ineffective institutions are major constraints broadly for development programs, and PIM in particular. Some key activities envisaged under this sub-component include:

- Organizational audit of the DGB, DGIFD, DGSPP, and AGT to take into account their new functions under the WAEMU directives, the new Finance Law, and the PPP law
- Strengthen the capacity of the Parliamentary Finance Commission in PIM
- Consolidate results-based management by developing mission letters, performance contracts, task assignments and performance monitoring. Pilot the performance evaluation system on high-profile/high-risk projects
- Strengthen the newly created Office for the follow-up and implementation of donor pledges (BOSS)
- Strengthen the e-governance platform including the HR system and the Enterprise Architecture framework
- Support to the Anti-Corruption Committee
- Support to the justice sector training through training of judges

Sub-Component 2.2 Adaptive Change Management (US\$3.0 million)

Institutional changes, such as those outlined in the PIM-strengthening activities of Component 1 and in the activities outlined in Component 2.1, are often more adaptive changes than they are technical. In order to ensure that adequate adaptive skills are present among the staff who are to be affected by the project, this sub-component will support change management capacity building and a series of rapid-results initiatives that will pilot changes within affected ministries and engage stakeholders in an analytical process to understand and then be better able to tackle the barriers to reform. Radical transformation will not occur overnight; the important areas of change addressed in the rest of the project will require incremental improvements and the sustained support of stakeholders.

The following activities are envisaged:

- Rapid Result Initiatives and coaching to engage those in leadership positions within the civil service to ensure continued commitment to the reform agenda
- Leadership training for leaders from the public sector and civil society, to be better able to identify priority issues, develop adaptive and problem-driven intervention plans, and establish and use feedback loops for better project design and management
- Coalition building support activities involving civil society and the media in monitoring and overseeing public sector reform priorities.

Component 3: Support to the Project Coordination Unit (US\$2.0 million).

Main activities that will be carried out by the PCU include: (i) development of annual work programs and corresponding procurement plans, procedure manuals, and procurement plans; (ii) conduct of

fiduciary and monitoring activities; (iii) coordination of the technical work related to the project components; (iv) and monitoring in project preparation and implementation. The project will provide funding for necessary office equipment, acquisition of the accounting software, and payment of the various activities related to project coordination and monitoring.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

E. Borrowers Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

Abdoul Wahabi Seini (GSU01)

Abdoulaye Gadiere (GEN07)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/ BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 02-Mar-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

It is unlikely that safeguard and social studies will be required for this capacity building operation

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

IV. APPROVALS

Task Team Leader(s):	Name: Robert A. Yungu	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Name: Johanna van Tilburg (RSA)	Date: 09-Feb-2016
Practice Manager/ Manager:	Name: Guenter Heidenhof (PMGR)	Date: 09-Feb-2016