



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
East Asia and Pacific	EAST ASIA AND PACIFIC	P175749	
Project Name	Public Expenditure Management Network in Asia - Phase 2		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing		12/22/2020
Borrower(s)	Implementing Agency(ies)		
Korean Institute of Public Finance	Korean Institute of Public Finance		

Proposed Development Objective

The overall objective of PEMNA2 is to facilitate knowledge exchange among budget and treasury officials to increase their capacity for better Public Financial Management.

Financing (in USD Million)

Amount

Total Project Cost

2.92

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

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

Countries in East Asia Pacific (EAP) have a substantial and varied history of pursuing public financial management reforms to support fiscal, growth, service delivery, and anti-corruption objectives. It represents a wide range of starting points, experience, and progress. The design of reforms in EAP countries involves adapting international best practices to a “good” local fit. Improving Public Finance Management (PFM) is an essential, upstream contributor to improving resource allocation and service delivery quality in a country and enhancing shared prosperity. Sound PFM systems should encourage strategic allocation of budget resources that accurately reflect the government’s development priorities.



PEMNA is a member-driven knowledge-sharing network that brings together government officials from 14 EAP countries. It revolves around the Communities of Practice (CoP), which provides the forum for the member countries to engage in PFM-related activities relevant to their institutions. Since PEMNA's inception, there have been two CoPs operating: Budget Community of Practice (B-CoP) and the Treasury Community of Practice (T-CoP). Each CoP has a leadership team that, in coordination with the WB facilitator, sets the work program and the learning agenda of the CoPs. The program's structure also includes a Secretariat to manage day-to-day operations and a Steering Committee to provide strategic guidance and endorse work programs. This RETF will finance the Secretariat's operation, including knowledge-sharing activities and research.

The PEMNA – Phase 2 is a continuation efforts to facilitate PFM knowledge sharing in EAP countries. The overall Project Development Objective (PDO) is to facilitate knowledge exchange among budget and treasury officials to increase their capacity for better Public Financial Management. The Project focus on peer-learning, research, advisory services and communication, reporting, monitoring and evaluation.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

PEMNA is a member-driven PFM knowledge-sharing network of 14 EAP countries (China, Indonesia, Cambodia, Korea, Democratic People's Republic of Korea, Lao People's Democratic Republic, Myanmar, Mongolia, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, Vietnam). The inception of PEMNA in 2012 was supported by the previous World Bank's project, The Public Expenditure Management Network in Asia Project (P149303). PEMNA includes a Secretariat, located in South Korea, to manage day-to-day operations and a Steering Committee to provide strategic guidance and endorse work programs.

The project is not expected to support any physical activities, or feasibility studies/technical design for future investment projects. Through component 1, the project supports peer-learning activities including plenary conference, CoP meeting, study visits and webinar. Component 2 focuses on research activities, whereby the project will support the development of PFM-related policy briefs and in-depth researches that of interest to PEMNA members. Component 3 supports advisory services that will be provided to selected member countries to improve their PFM performance. The advisory services are not aimed to revise the current member countries' PFM-related policies or legal framework. Component 4 focuses on disseminating, monitoring and evaluating PEMNA through annual report, e-newsletter, and talk series. Hiring of expert consultants to provide services under component 2 and 3 are expected under the project.

All activities are expected to be held virtually during this pandemic, and at the secretariat or one of the member countries' facilities when the pandemic is over. As most activities will be held virtually or in existing physical building (e.g. hotels, offices, etc.), the project is not expected to impact natural habitats or cultural heritage sites. No proposed activities have the potential to lead to involuntary resettlement and Indigenous Peoples issues.

D. 2. Borrower's Institutional Capacity

The Korean Institute of Public Finance (KIPF) will be the recipient of the RETF. The KIPF is a national research institute working in the field of tax and fiscal policy. It was established in 1992 and it is under the Office for Government Policy



coordination. KIPF’s main objectives are to investigate, as well as to research and analyze the operation of tax, finance and public institutions to support the establishment of institution’s operational policies and contribute to the development of national economy. Embedded in the KIPF, is the PEMNA center which roles are to operate PEMNA with countries in the Asia-Pacific region for International financial cooperation and to engage in international advisory activities and research and cooperation with domestic and foreign institutions. KIPF has been selected to continue hosting the PEMNA secretariat due to its previous experience in the similar role and its proven knowledge of the World Bank’s fiduciary policies.

KIPF has previous experience in World Bank’s project from the preparation and implementation of the phase 1 of the project, The Public Expenditure Management Network in Asia Project (P149303), which was processed under the Bank’s safeguards policy. The project supported the establishment of PEMNA secretariat and Steering Committee, as well as the secretariat day-to-day operations including organizing various peer-learning activities. The project had not triggered any safeguard policies, as such KIPF has no previous experience yet with the World Bank’s environmental and social policies. However, as the current proposed project activities involve only the financing of peer-learning, research, advisory services, and reporting activities, with limited environmental and social impacts; KIPF’s limited experience and capacity is considered adequate and does not require further strengthening.

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

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

The environmental risk rating is assessed to be low. The project seeks to facilitate knowledge sharing among the member countries, so as to increase their capacity on PFM. It will not involve any civil works and will be conducted in existing building at the secretariat or at the other location in one of member countries. With the current COVID-19 situation, most projects activities are expected to be held virtually.

The potential environmental impacts under each components are expected to be negligible. As most activities will be conducted virtually during the pandemic, the risk of exposure to COVID-19 is considered minimal. For the activities that could be held at the secretariat location, it will follow the existing National COVID-19 guidelines. The advisory services under component 3 is not aimed to support the formulation/revision of policies, programs, or any legal frameworks, as such there is no foreseen potential downstream impact from this activity.

The risks are assessed to be insignificant, predictable, and considering the scale of the project and the nature of the potential impact, the environmental risks are deemed to be minor and negligible.

Social Risk Rating

Low

The social risk rating is considered to be very low given that the project will not include any physical activities under proposed components and the advisory services are limited to provide advice to improve the performance of PFM but not aimed to revise the member countries’ PFM-related policies or legal framework. The project will not relate to any sector or specific projects and there will be no downstream impacts from the advisory services.



The project will support the Secretariat for hiring, monitoring and managing the experts that will provide advisory services. The scope of work of the experts is limited to providing technical inputs to advisory services which is considered to have very low social risks concerning labor management and working conditions. For example, risk of forced labor, child labor is absent and occupational health and safety risks are low.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 is relevant for the project as it applies to all projects supported through Investment Project Financing (IPF). The potential E&S risks are considered to be minor and negligible. The potential risk related to COVID-19 transmission during project implementation is considered minimal as most activities will be conducted virtually during the pandemic. In the case there are face-to-face activities during the pandemic in the secretariat, the activities will follow the existing national COVID-19 guidelines.

As the project will support the hiring of consultants for research and advisory services, the projects will adhere to existing labor contract management under Bank procurement's guidelines and process. Environmental and Social Commitment Plan (ESCP) will be developed to ensure the implementation of these commitments.

Therefore, based on the initial screening, the project does not require further environmental and social assessment.

Areas where "Use of Borrower Framework" is being considered:

Borrower Framework is not considered for this project.

ESS10 Stakeholder Engagement and Information Disclosure

The project will not bring any concrete policy change or physical investment to supported counties therefore there will be no project affected people or vulnerable groups identified. The project will only involve the staff of secretariat which are civil servants and contracted experts, as well as the Bank staff. The engagement with relevant stakeholders such as experts and professional associations in the FM and accounting fields shall be carried out as part of project activities through regular meetings and CoPs etc. SEP is not considered necessary for this low risk project. However, KIPF and participating countries will disclose information about the project activities. KIPF will also disclose the ESCP which will include provisions for public disclosure of project activities and GRM.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

The standard is considered relevant. KIPF will use Bank procurement procedures to contract some short term consultants (STCs) to conduct technical research activities and offer advisory support to beneficiaries of the program. Most of the STCs will be technical experts who work remotely, but there may be one local STC who is contracted to



support program administration. These consultants would collaborate with Bank experts and government officials to conduct research and analysis. The work is limited to providing technical advice and there will be no downstream impacts on labor. Therefore, risk of forced labor, child labor is absent considering the nature of technical support provided by professional in the financial management and accounting fields, the risk concerning labor management and working conditions is considered very low, and occupational health and safety risks and impacts are minor because there will be no field work.

There will be 5-6 staff employed by KIPF working for this project. They are paid by the Government of Korea and considered civil servants, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement and ESS2 will not be applied to civil servants, except for provisions concerning occupational health safety.

ESS2 provisions will be included in the ESCP, including OHS and GRM for workers.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is currently considered not relevant.

ESS4 Community Health and Safety

This standard is currently considered not relevant.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is currently considered not relevant.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is currently considered not relevant.

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

This standard is currently considered not relevant.

ESS8 Cultural Heritage

This standard is currently considered not relevant. The project will not support any construction or rehabilitation activities that would involve earth works (thereby potentially having an impact on tangible cultural heritage), or other activities that could have an impact on tangible and / or intangible cultural heritage.

ESS9 Financial Intermediaries



This standard is considered not relevant since the planned project interventions will not involve any financial intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

The project is not engaging other financing partners.

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

Actions to be completed prior to Bank Board Approval:

Environmental and Social Commitment Plan (ESCP)

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

1. Commitments to adhere to existing National COVID-19 measures, for activities that could be held in the secretariat building during the pandemic.
2. Commitments to adhere to existing labor contract management for civil servants.
3. Commitments to adhere to ESS2 provisions for contracted workers, including OHS and GRM.
4. Commitments to publicly disclose information about project activities, engage relevant stakeholders, and mechanism to receive and address feedback and grievances.

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Korean Institute of Public Finance

Implementing Agency(ies)

Public Disclosure



Implementing Agency: Korean Institute of Public Finance

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): C. Bernard Myers

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