



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 13-Sep-2017 | Report No: PIDISDSC22049



BASIC INFORMATION

A. Basic Project Data

Country Benin	Project ID P163560	Parent Project ID (if any)	Project Name Community and Local Government Basic Social Services Project (P163560)
Region AFRICA	Estimated Appraisal Date Oct 16, 2017	Estimated Board Date Feb 15, 2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Republic of Benin	Implementing Agency Decentralized Community Driven Services Secretariat	

Proposed Development Objective(s)

The Development objective of the project is to improve access to decentralized basic social services and to mainstream the community driven development approach for such services.

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	40.00
Total Project Cost	40.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track I-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

1. Benin is a small West African country with a per capita income of US\$ 800 in 2016. Its total population is approximately 10 million and is growing at a rapid rate of 3.5 percent annually. Benin experienced a successful and peaceful democratic transition starting in the early 1990s, but despite relative political stability, significant agricultural potential, and a favorable geographic location, Benin remains a low income country.
2. In spite of moderate GDP growth of between 4 and 5 percent annually over the past two decades, and more robust growth recently, poverty remains widespread. According to the National Statistical Agency (INSAE), national headcount poverty rates have stagnated over the past decade, moving from 37.5 percent in 2006, to 35.2 percent in 2010 and 40.1 percent in 2015. Bank estimates of the \$1.90 per day poverty rate indicates rates of 61.4 percent in 2006, 48.5 percent in 2010 and 49.5 percent in 2015. Nationally, inequality in the distribution of household consumption has been moderately high but stable, with the Gini coefficient at 0.47 in both 2010 and 2015.

Sectoral and Institutional Context

3. Decentralization is enshrined in Benin's constitution adopted in December 1990 and governed by a series of laws adopted in 1999 that define the legal and institutional framework for decentralization. According to these laws, Benin's 77 communes have the responsibility for the delivery of key basic services including primary education, health, water, local roads, and social assistance, among others. While communes are the sole decentralized entity with legal personality and financial autonomy, they are permitted to expand their ability to fulfill their responsibilities by delegating certain simple activities to community associations.
4. The CDD approach aims to empower communities to identify and implement small-scale, low complexity development activities. Benin's experience in using CDD as a means to improve decentralized delivery of basic services is a model for developing countries faced with poor execution performance of capital expenditures for basic services. The first Decentralized Community Driven Services Project (Projet des Services Décentralisées Conduit par les Communautés – PSDCC 1), which will terminate on December 31, 2017, has supported FADeC transfers to finance basic infrastructure in the areas of education, health, water, transport, and market infrastructure. The large majority of the transfers financed sub-projects implemented by communities under a formal delegation of responsibility from their commune. The communities—targeted on the basis of lack of access to services—identified their local needs, received funds, planned and implemented the projects chosen, and monitored the provision of services that resulted from those projects. For this, they received extensive training from a well-established network of community trainers supported by PSDCC 1. Communes have retained the responsibility for oversight of implementation by the community and ownership of the completed infrastructure asset.
5. This model has proven successful and is expected to result in the completion of over 1,000 basic infrastructures executed by delegation to communities by December 2017. In addition, over 230 multi-village infrastructures executed directly by communes will also be completed by the end of the project. Evaluations show that the project's emphasis on delegation to communities was well justified. Infrastructure carried out through delegation to communities was cheaper and of better quality than alternative approaches. In addition, the PSDCC 1 technical audit (2015) showed that community-executed infrastructure was of better quality than that implemented by communes.
6. The Government has made significant progress in establishing a new, more inclusive social protection policy and putting in place key elements of a social protection system. The Holistic Social Protection Policy was adopted in 2014,



along with important instruments such as: (i) the National Unique Targeting methodology and the launching of the establishment of a National Social Registry; (ii) the adoption of a national social protection floor¹; (iii) the piloting of safety nets approaches such as unconditional cash transfers, and labor intensive public works in twelve communes; and (iv) the establishment of the National Social Protection Platform Committee (*Comité National Socle de Protection Sociale – CNSPS*), as the main coordinating body for implementation of the policy.

7. PSDCC 1 supported a successful pilot of a cash transfer program that built on the CDD approach for identification of beneficiaries and execution of labor intensive public works. While a pilot, this was the largest such program ever implemented in Benin, reaching about 13,000 poor households. The pilot provided predictable unconditional cash transfers, as well as a possibility to earn additional income for four months per year during the agricultural lean season through labor-intensive community works projects (*Travaux mobilisateurs d'intérêt communautaire – TMIC*).

8. The Government of Benin is currently preparing the Insurance for Strengthening Human Capital (*Assurance pour le Renforcement du Capital Humain – ARCH*) project, a major new social protection initiative that aims to offer health insurance to the entire Beninese population, in particular the poorest households which would receive subsidies for health insurance coverage. The initiative also includes services related to microfinance, training, and pensions. The objective is to provide a package of mutually-reinforcing services that can not only protect households from health shocks and old age, but also help them to improve their livelihoods. While safety nets are not formally a part of the ARCH program, they could have an important role in helping ARCH to succeed in making a sustainable impact on its priority target group of poorest households. The experience of the successful BRAC model² shows that income support through cash transfers is a critical component of packages of interventions that aim to have a sustainable impact on the living conditions of the poor, because these households need to be able to meet their most basic needs before they can use microfinance and training to improve their living standards.

Relationship to CPF

9. A new Country Partnership Framework (CPF) is expected to be prepared in FY18 building on the Strategic Country Diagnostic (SCD) currently under preparation. The SCD aims to identify the main constraints that need to be alleviated to enable Benin to achieve of the Bank's twin goals of reduced poverty and increased shared prosperity, and to suggest pathways to reduce these constraints. The draft identifies three main pathways for Benin to alleviate these constraints: i) a more inclusive growth process by creating jobs and livelihoods in Benin's areas of comparative advantages; ii) building human capital, particularly among the poorest and among women and girls, including strengthening the delivery of public services and improving the coverage and targeting of social safety nets; and iii) strengthening natural resource management. The proposed operation strongly supports the second SCD pathway.

10. The proposed operation also supports the most recent Benin Country Partnership Strategy (CPS) covering FY13 – FY17. The CPS contains three pillars: a foundational, cross-cutting pillar on (i) strengthening governance and public sector capacity, and two supporting pillars on (ii) increasing sustainable growth, competitiveness and employment and (iii) improving service delivery and social inclusion. The operation is clearly aligned with the third pillar, and will also

¹ The Benin National Social Protection Floor comprises: (i) promoting universal health coverage; (ii) improving child care; (iii) improving the consumption of households; and (iv) protection and promotion of specific groups, especially those extremely vulnerable.

² Banerjee, Duflo, et al. A multifaceted program causes lasting progress for the very poor: Evidence from six countries. *Science* (2015) <http://science.sciencemag.org/content/348/6236/1260799>



support the strengthening of governance and public sector capacity in relation to decentralization and the procurement and financial management capacity of communes. The project also strongly supports the Bank's twin goals of reduced poverty and increased shared prosperity and the Bank's priority on strengthening citizen engagement.

C. Proposed Development Objective(s)

11. The development objective of the project is to improve access to decentralized basic social services and to mainstream the community driven development approach for such services.

Key Results (From PCN)

12. The project's performance in attaining the PDO will be measured through a set of 6 outcome indicators. These indicators (particularly numbers 1, 2, 4, and 5) are similar to those used in PSDCC 1, and therefore will allow comparability and continuity of measurement.

- 1) Direct project beneficiaries (number); of which female (percent)
- 2) Resources transferred through FADeC that are executed by communities for basic social infrastructure through delegation of responsibility from communes (percent)
- 3) Students enrolled in schools constructed/rehabilitated under the project (number)
- 4) People in rural areas with access to an improved water source constructed/ rehabilitated under the project (number)
- 5) Beneficiaries of social safety net programs; of which female (number)
- 6) Temporary employment created in labor intensive public works subprojects (number of person-days)

D. Concept Description

13. PSDCC 1 was structured as an Adaptable Program Loan (APL) for which the Government has achieved the triggers for this second phase of the three planned phases. The objective remains the same for PSDCC 2 as for PSDCC 1. As with PSDCC 1, this phase is proposed to consist of four components:

Component 1: Service Delivery Grants to Communes (IDA US\$ 21.2 million)

14. This component aims to continue support for the delivery of basic services at the decentralized level in line with the PAG, which foresees continued support for decentralized services through the FADeC, and the PONADEC. It will support fiscal transfers to local governments (communes) to be used for investments that are included in their PDCs. Eligible expenditures will include investment projects in the areas of education, health, water, transport, and market infrastructure.

15. Eighty percent of resources under this component will fund community-level investments that are consistent with PDCs in the areas of education, health, water, transport, and market infrastructure. For these relatively simple community-level investments, the responsibility for implementation would be delegated by the communes to communities through the CDD approach. For more complex investments that deal with multiple villages, communes would retain responsibility for implementation. Twenty percent of the resources under component one will support commune-level infrastructure investment.



Component 2: Productive Safety Nets to support ARCH (IDA \$ 8.5 million)

16. This component will scale up the safety nets pilot initiated under PSDCC 1, but re-orient it to complement the ARCH initiative by adding accompanying measures (training and micro-entrepreneurial support) to encourage a sustainable improvement in beneficiaries' livelihoods.
17. As under PSDCC 1, the program will be composed of two elements: i) a basic unconditional cash transfer to all targeted households, and ii) labor-intensive public works for the same households to provide the opportunity to earn an additional transfer during the agricultural lean season. The cash transfer intervention is intended to increase the household income over a sustained period while the public works program seeks to provide a predictable transfer during the lean season to encourage beneficiary households to avoid negative coping decisions, which include selling assets, pulling children out of school and sending children to work.
18. New accompanying measures (training and micro-entrepreneurial support) will aim to create synergies with ARCH to encourage lasting gains in beneficiaries' livelihoods. The four services under the ARCH initiative – health insurance, training, microcredit, and retirement pensions – seek to reduce poverty and vulnerability by both protecting and promoting the livelihoods of the population – especially the poor and vulnerable. The safety net program will complement ARCH by bolstering the support provided to poor households to promote improved livelihoods – specifically through cash transfers and micro-entrepreneurial training.

Component 3: Capacity Building (IDA \$ 6.3 million)

19. *Subcomponent 3.1: Technical Assistance and Capacity Building for the Ministry of Decentralization and Local Government (MDGL) and other key Ministries (\$ 2.5 million).* This sub-component will continue the institutional capacity building support to strengthen the performance of the FADeC and to ensure the necessary capacity is in place to supervise and mainstream decentralized service delivery including through the CDD approach.
20. *Subcomponent 3.2: Technical Assistance and Capacity Building for Communes (\$ 0.5 million).* This subcomponent builds on the capacity-building program for communes supported by PSDCC 1. A key area of focus will be on monitoring and improving communes' adherence to national procurement and financial management regulations. It will strengthen communes' capacity to (i) improve participatory preparation of PDCs, (ii) adopt the CDD approach for the implementation of other small-scale community-level investment projects; and (iii) implement social protection projects (safety nets).
21. *Subcomponent 3.3: Grassroots Management Training (GMT) for Communities (\$ 3.3 million).* Capacity building of communities to participate in the commune's development planning process and to take on the responsibility for implementing development projects is a key element of the CDD approach.

Component 4: Project Management (IDA \$3.4 million)

22. The objective of this component is to support activities related to project management and coordination through the SSDCC. This includes staff-related costs, equipment, vehicles, fuel, office space, and communications costs, and operating costs related to the procurement, supervision, auditing and evaluation of project activities.



SAFEGUARDS

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

The physical project activities would be carried out in all communes of Benin and over four hundred local communities in Benin. Sub-projects would include construction of schools, health clinics, boreholes and the extension of existing small water supply systems, latrines, rural roads, and boutiques/market stalls/hangars. Labor intensive public works are expected to include soil and water conservation activities, natural resources management, agriculture, trash collection, and small feeder roads rehabilitation. Other expected activities such as social safety nets cash transfers, capacity building and technical assistance are not expected to have adverse social or environmental impacts.

B. Borrower’s Institutional Capacity for Safeguard Policies

This project's predecessor, the PSDCC, developed effective policies to mitigate environmental and social risks associated with small-scale construction and possible land acquisition. Implementation of the environmental and social safeguards throughout the PSDCC has been consistently satisfactory. Taking into account the lessons of experience, the PSDCC safeguard framework will be revised and adopted by this project, including the (i) an Environmental and Social Management Framework (ESMF); and (ii) a Resettlement Policy Framework (RPF) to address potential issues that might arise due to the need for land acquisition. Oversight for the implementation of safeguards will remain with the same implementation agency as under PSDCC, the Decentralized Community Driven Services Secretariat (SSDCC).

The SSDCC will be responsible for preparation and implementation of EIAs or RAPS, if deemed necessary for sub-projects. Such activities will be executed in full collaboration with the environmental and social units in the various communes. The overall national level oversight performed by the Agence Beninoise pour l'Environnement (ABE) is acceptable in terms of safeguards implementation but it needs to be strengthened. ABE has experience of implementation of other World Bank financed projects. Capacity building efforts to support project implementation will be done by implementing recommendations contained in the safeguards instruments prepared for the project. The project will also receive guidance from the Bank's environmental and social specialists in the Project team. A full time environmental and social safeguards staff will be recruited in the PIU to serve as the focal point for safeguards implementation and monitoring, and this person will be trained in WBG's environmental and social safeguards implementation requirements.

C. Environmental and Social Safeguards Specialists on the Team

Abdoul Wahabi Seini, Social Safeguards Specialist
Abdoul Ganyi Bachabi Alidou, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The ESMF of the PSDCC, as it includes all activities of the proposed project, will be updated to cover this project. The sub-projects under component 1 will support the construction and rehabilitation of social and economic infrastructure such as schools, markets,



		small scale water infrastructure, road infrastructure, and health centers. These interventions have the propensity to trigger small scale and site specific environmental impacts that are manageable. At this stage of project preparation, the locations of these interventions are not known.
Natural Habitats OP/BP 4.04	No	The project activities would not result in any conversion or degradation of critical natural habitats.
Forests OP/BP 4.36	No	The project will not finance activities related to forest exploitation, harvesting, direct or indirect forest degradation, and increased access to forest. Community initiatives to replant trees may be supported.
Pest Management OP 4.09	Yes	The project will not finance acquisition transport, distribution, storage or use of pesticides or similar chemicals that could threaten environmental and human health. The ESMF will have a dedicated section on pest management. Where relevant, the project will aim to promote sustainable farming techniques.
Physical Cultural Resources OP/BP 4.11	Yes	The ESMF will stipulate that if physical cultural resources are found during civil works, a "chance find procedure" will apply in accordance with national regulation and OP/BP 4.11.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the project intervention areas.
Involuntary Resettlement OP/BP 4.12	Yes	Under component 1, sub-projects will support the rehabilitation and construction of social and economic infrastructure such as schools, markets, small scale water infrastructure, secondary roads and health centers. These activities could lead to restriction of access to assets or sources of livelihood and they could also entail some acquisition of land and/or losses of assets and thus the OP 4.12 is triggered. The selection of communities will only be known after the start of the project following selection on the basis of an index created by the national statistics institute. Therefore, the project will build upon the RPF of the PSDCC, which will be updated, consulted upon and disclosed prior to appraisal. During project implementation, the policy framework will provide the roadmap for preparing Resettlement Action Plans as necessary.
Safety of Dams OP/BP 4.37	No	The project will not finance dam works or activities associated to existing dams.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activities that will interfere with international watercourses; either in terms of



water withdraw or discharge of pollutants.

Projects in Disputed Areas OP/BP 7.60

No

The project intervention areas are not under dispute.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Sep 29, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The ESMF and RPF will be prepared and disseminated prior to the appraisal of the project.

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APPROVAL

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