



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

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**I. BASIC INFORMATION****A. Basic Operation Data**

|                               |                                                          |                            |                                         |
|-------------------------------|----------------------------------------------------------|----------------------------|-----------------------------------------|
| Operation ID                  | Product                                                  | Operation Acronym          | Approval Fiscal Year                    |
| P500561                       | Program-for-Results Financing (PforR)                    | WEDAF                      | 2026                                    |
| Operation Name                | Women entrepreneurship development and access to finance |                            |                                         |
| Country/Region Code           | Beneficiary country/countries (borrower, recipient)      | Region                     | Practice Area (Lead)                    |
| Benin                         | Benin                                                    | WESTERN AND CENTRAL AFRICA | Finance, Competitiveness and Innovation |
| Borrower(s)                   | Implementing Agency(ies)                                 | Estimated Appraisal Date   | Estimated Board Date                    |
| Ministry of Finance           | Caisse de Dépôts et des Consignation du Benin            | 13-Oct-2025                | 26-Nov-2025                             |
| Estimated Concept Review Date | Total Project Cost                                       |                            |                                         |
| 20-Nov-2024                   | 100,000,000.00                                           |                            |                                         |

**Proposed Development Objective**

Promote growth and access to finance of women entrepreneurs in Benin.

**B. Is the operation 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 Activities**

The proposed Operation has two main results areas in order to achieve the PDO: RA I: Enhance women entrepreneurial skills and mindset RA II: Increase women entrepreneurs' access to finance The term women entrepreneurs in this operation refers to micro, small and medium-sized enterprises owned (51% of the share) or led by a female. The promotion of 'growth' refers both to an increase in the overall number of formal women entrepreneurs in the economy and to improvements in employment outcomes—such as the creation of new quality jobs—among W-MSMEs supported by this operation. The promotion of 'access to finance for W-MSMEs' encompasses both the number of W-MSMEs gaining access to financial services and the volume of mobilized private capital.



## **D. Environmental and Social Overview**

### **D.1 Overview of Environmental and Social Project Settings**

Most of the of IPF Component activities will take place in Cotonou, even if the Beneficiaries will be from the whole country.

Among the areas to be covered by the IPF component of the PforR Program is Access to market through the design the early-stage financing program for women entrepreneurs and innovative climate solutions. On the environmental level, this constitutes opportunity, which links women and adaptation to climate change in Benin. Indeed, Benin has made progress in developing national plans and policies for adaptation to climate change and reduction of natural disaster risks, paying particular attention to different development sectors. Benin has also a Gender and Climate Change Action Plan (2023-2025) which defines a framework for the integration of climate change into the promotion of gender in Benin. This Program is an opportunity to contribute to the implementation of this plan. However, measures must be taken from the design stage of the climate solutions to mitigate their risks and impacts on the biophysical components of the environment.

Entrepreneurs in Benin, particularly women, typically struggle to access finance. Fewer than one in four companies having access to a line of credit. Benin has initiated significant measures to reduce the gender gap in recent years such as allowing women to apply for a passport in the same way as a man; an increase in women's representation from 7 percent to 25 percent of the National Assembly seats; lifting the restrictions on women's ability to work in construction; and the ban on gender-based discrimination in financial services. The Women, Business, and the Law (WBL) index measures the legal environment for women entrepreneurs and employees and assesses the gender gap based on ten main indicators. This program of Women Entrepreneurship Development & Access to Finance which is dedicated to women could generate so positive and negative impacts at the social level which must be apprehended.

### **D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts**

The TA component will be implemented by a new Project Implementation Unit (PIU) to be established in the Ministry of Finance prior to project effectiveness. Therefore, their ESF related experience would be limited, although several national agencies have received capacity-building support through World Bank-financed projects on environmental and social risk management, including the requirements of the Environmental and Social Framework (ESF). Benin has an acceptable legal and regulatory environmental and social framework. A dedicated national agency (ABE - Agence Beninoise de l'Environnement) is responsible for ESIs approvals, monitoring, and evaluation. It's often that this agency is not well staffed in terms of number of people.

Similarly, at this stage of the preparation of the Programme, there is no assurance that the small and medium-sized enterprises targeted by the Programme and the Guarantee Fund for loans to these small and medium-sized enterprises (which has just been set up) have adequate knowledge and capacities in ESF.

Therefore, capacity building will be required to enable MOF, ABE, guarantee fund (FIGPME), MSME and other relevant agencies to play its role more fully in the process of managing E&S impacts/risks of the program.

## **II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS**



## **A. Environmental and Social Risk Classification (ESRC)**

Moderate

### **A.1 Environmental Risk Rating**

Moderate

The IPF component will focus on Sustainability linked financing (mobilization of capital markets to provide additional funding to the government existing financing instruments targeting SMEs such as the LoC, and the recently approved, guarantee fund, MSME Finance Platform) and Technical assistance that will support Access to finance, Women entrepreneurial ecosystem development, M&E Verification, and Audit and Access to market through the Design the early-stage financing program for women entrepreneurs and innovative climate solutions. The potential risks and impacts on the environment are not expected to be irreversible since no infrastructure construction activity is planned under the IPF component. However, depending on their nature and scale, the early-stage financing program for women entrepreneurs and especially innovative climate solutions could induce environmental risks and impacts. In addition, the lack of assurance on the capacity of MSMEs and WMSME and also of the Guarantee Fund that has just been established, could constitute limiting factors for the effective consideration of environmental risk and impact mitigation measures from the design of the program. Taking these elements into account, the environmental risk is assessed as moderate at this stage of preparation. It is therefore essential to consider criteria for assessing risks and negative environmental impacts already at the design of the innovative climate solutions to be financed. Environmental and climate-smart” selection criteria from the earliest stages of the design of innovative solutions to be financed are essential to reduce the negative environmental impacts of the Program.

### **A.2 Social Risk Rating**

Moderate

The social risks under IPF component (which not involves procurement of goods/infrastructure) is assessed as moderate. Although, it is a technical assistance project aimed at financing mainly investment via a capital market instrument, LOC and studies (Market analysis, Financial Audit of IPF and capacity building for the Caisse de Depot et Consignation du Benin (CDCB), financial education for MSMEs and WMSMEs). There might be some risks related to the unfavorable working conditions of labors who involve in the project as direct or consultants; in the implementation of the mentoring and networking activity for businesswomen. The financing some climate innovative solutions could involve impacts on community health and safety, labor and working conditions, Inadequate stakeholder engagement, which is crucial for informing project beneficiaries about the project and selection criteria for capacity-building activities and market analysis. Also to ensure that all vulnerable groups are well consulted and well informed about the project benefits and will be taken into account. Additionally, grievance redress mechanisms may be inaccessible for reporting issues. IPF Terms of Reference will be reviewed and approved by the WB to ensure that it considers adequate assessment of environmental and social implications and that the advice provided through the TA for addressing those implications is consistent with the ESF. At the time being all these risks are not confirmed and further assessment will be done during project preparation as the description of this component activities becomes clearer. For the other components under PForR, the Environmental and Social System Assessment (ESSA) will identify the risks and propose a mitigation action plan to address the downstream impacts of the proposed components.

## **B. Relevance of Standards and Policies at Concept Stage**

### **B.1 Relevance of Environmental and Social Standards**



### **ESS1 - Assessment and Management of Environmental and Social Risks and Impacts**

Relevant

ESS1 requires that the environmental and social risks related to all IPF Component are assessed prior to Appraisal. The activities under the IPF component do not include any civil works or construction activities that would generate significant and irreversible environmental and social risks and impacts. Regarding the identified environmental risks and impacts, they are mainly the air pollution due to various car journeys and production of paper waste during training and drafting of documents by the actors related with the activities of Market analysis focusing on women entrepreneurs needs, Financial Audit of IPF component, strengthen business incubators and accelerators' capacity on investment readiness services for women entrepreneurs. The use of consultants or other human resources (business mentoring and networking program) for the Technical Assistance to be provided to the IPF component of the PforR may generate risks of SEA/SH, interpretation.

### **ESS10 - Stakeholder Engagement and Information Disclosure**

Relevant

Key stakeholders of the IPF/TA include: project-affected parties (Ministry of Finance, through directions and decentralized entities, the Cour des Comptes (Supreme Beninese Audit Institution) and the Third Party Verification Agency, The Ministry of Planning & Devel.), Microfi. Institutions, The Caisse des Dépôts et de Consignation du Benin (CDCB), business angel network (the Benin Business Agent Network), the Chamber of Commerce and Industry (CCI), SME Catalytic SIFs, WI-Funds and other interested parties (local authorities and all Beninese citizens). The Borrower will develop a SEP, as part of ESCP and consistent with ESS10. The SEP will: (i) provide an overview of project stakeholders; (ii) establish a systematic approach for consultation and their engagement in the project's preparation and implementation. The ESCP will also include the project's GM, based on an inclusive & participatory approach, which will be used to deal with complaints related to the implementation of activities

### **ESS2 - Labor and Working Conditions**

Relevant

IPF TA will be implemented by PIU that will include staff from Ministry of Finance with the support of consultants hired by the government. Gov. staff working in connection with the project, full-time or part-time, will remain subject to the terms and conditions of their existing public sector employment or agreement, unless there has been effective legal transfer of their employment or engagement to the project. The Borrower will incorporate the appropriate OHS and other measures in its contracts for consultants and other workers, as per ESS2. The Borrower will also include OHS measures in the ESCP in line with national laws governing labor and working conditions related to the IPF component in the program (administrative-related tasks not involve procurement of goods/equipment'. These will be applied to all types of project workers. Benin has ratified 8/10 ILO's fundamental convention. The country establishes appropriate OHS applicable to formal-sector workers including migrant

### **ESS3 - Resource Efficiency and Pollution Prevention and Management**

Relevant

The implementation of IPF Component (Sustainability linked financing and Technical assistance) activities that include " Access to finance, Access to market Women entrepreneurial ecosystem development and M&E Verification, and Audit " will generate waste resulting from the use of papers and other administrative tools, and also air pollution during car travel. Although the level of these pollution risks is low, appropriate measures will be prepared and implemented as needed through the ESCP.



**ESS4 - Community Health and Safety**

Not Currently Relevant

This Standard is not considered relevant. The TA activities are not expected to generate any direct negative impacts on the safety, security and/or health of communities. If the development of additional community health and safety policies, mitigation measures and management plans are necessary, they will be integrated into the ESCP as needed.

**ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

Not Currently Relevant

Not currently relevant. The IPF TA will not finance any physical civil works or construction and therefore will not require any land acquisition or involuntary resettlement. Should negative impacts on land or involuntary resettlement be added/required during implementation, the necessary assessments, consultations and instruments will be undertaken per the requirements of this standard.

**ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Not Currently Relevant

Not currently relevant. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS6 as the IPF/TA component will not finance activities that will impact biodiversity.

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

Not Currently Relevant

This standard is not considered relevant as there are no Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities currently identified in the project area.

**ESS8 - Cultural Heritage**

Not Currently Relevant

Not currently relevant as the IPF/TA component will not finance activities that will impact cultural heritage. Should any possible negative impacts on cultural heritage be identified during implementation, the necessary screening, assessments, consultations and instruments will be undertaken per the requirements of this standard.

**ESS9 - Financial Intermediaries**

Relevant

The IPF component will focus on the Sustainability linked financing (10M) and Technical assistance (5M). Regarding the Sustainability linked financing the program intervention will leverage the respective strengths of the World Bank and IFC to crowd-in private resources mobilize on capital markets to provide additional funding to the government existing financing instruments targeting SMEs such as the LoC, and the recently approved, guarantee fund (FIGPME), MSME Finance Platform (which includes innovative instruments to support MSMEs through digital lenders). These Financial Intermediaries (FIs) that will receive financial support from the Bank will apply the requirements of this ESS and will cause each subsequent FI to apply the requirements of this ESS. An ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of FIs subprojects on an ongoing basis will be set up to manage E&S risks and impacts from the design of sub-projects.

**B.2 Legal Operational Policies that Apply**



**OP 7.50 Operations on International Waterways**

No

**OP 7.60 Operations in Disputed Areas**

No

### **B.3 Other Salient Features**

#### **Use of Borrower Framework**

In Part

Since the current IPF component will result in moderate E&S risks, the country system would be used in part to manage these risks.

Specific measures will be integrated in the ESCP to prevent and manage risks and impacts of labor, waste production from the use of papers and other administrative tools, air pollution during car travel and SEA/SH potential risks.

Similarly, the ESCP will include specific measures that the Financial Intermediaries (FIs) will apply as ESMS to prevent and mitigate the E&S risks and impacts of FIs subprojects at the stage of design of these sub-projects.

#### **Use of Common Approach**

No

### **C. Overview of Required Environmental and Social Risk Management Activities**

#### **C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?**

- The Borrower will develop and disclose the following instruments prior to Board approval:  
Environmental and Social Commitment Plan (ESCP) including (i) the SEP with measures for addressing the environmental, social, SEA/SH risks and labor risks identified, (ii) specific measures to prevent and manage risks and impacts of waste production from the use of papers and other administrative tools, air pollution during car travel, (iii) and measures that the Financial Intermediaries (FIs) will apply as ESMS to prevent and mitigate the E&S risks and impacts of FIs subprojects at the stage of design of these sub-projects.

-The Borrower will develop and disclose the following instrument during implementation

- A separate Environmental and Social Management System (ESMS) to guide the guarantee fund and the credit lines management procedures.

### **III. CONTACT POINT**

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