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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF EURO 25.7 MILLION
(US\$30 MILLION EQUIVALENT)

TO THE

TOGOLESE REPUBLIC

FOR AN

INFRASTRUCTURE AND URBAN DEVELOPMENT PROJECT

June 25, 2018

Social, Urban, Rural and Resilience Global Practice
Africa Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective May 31, 2018)

Currency Unit = CFA Franc (CFAF)

CFAF 562 = US\$1

US\$1= EURO 0.85623769

FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| AFD | French Development Agency (<i>Agence Francaise de Développement</i>) |
| AfDB | African Development Bank |
| BP | Bank Policy |
| CBA | Cost-Benefit Analysis |
| CCMP | Public Market Control Commission (<i>Commission de contrôle des marchés publics</i>) |
| CERC | Contingent Emergency Response Component |
| CHR | Regional Central Hospital (<i>Centre Hospitalier Regional</i>) |
| CII | Interministerial Compensation Committee (<i>Comité Interministériel d'Indemnisation</i>) |
| CPF | Country Partnership Framework |
| CPMP | Public Procurement Control Commission (<i>Commission de la passation des marchés publics</i>) |
| CRI | Corporate Results Indicator |
| DA | Designated Account |
| DFIL | Disbursement and Financial Information Letter |
| DGIEU | Department of Infrastructure and Urban Services (<i>Direction Générale des Infrastructures et des Équipements Urbains</i>) |
| DLI | Disbursement Linked Indicator |
| DNCMP | National Procurement Control Directorate (<i>Direction Nationale de Contrôle des Marchés Publics</i>) |
| DUP | Detailed Urban Plans |
| EHS/OHS | Environmental/Occupational Health and Safety |
| EIRR | Economic Internal Rate of Return |
| ESIA | Environmental and Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| EU | European Union |
| FCV | Fragility, Conflicts, and Violence |
| FM | Financial Management |
| GBV | Gender-Based Violence |
| GDP | Gross Domestic Product |
| GHG | Green House Gas |

| | |
|---------|---|
| GIZ | German Agency for International Cooperation (<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>) |
| GoT | Government of Togo |
| GPN | General Procurement Notice |
| GRM | Grievance Redress Mechanism |
| IFR | Interim Financial Report |
| IGF | General Financial Inspection Panel (<i>Inspection Générale des Finances</i>) |
| IMF | International Monetary Fund |
| IPF | Investment Project Financing |
| IRM | Immediate Response Mechanism |
| ISC | Interministerial Steering Committee |
| ISP | Implementation Support Plan |
| KfW | German Development Bank (<i>Kreditanstalt für Wiederaufbau</i>) |
| LDP | Local Development Plan |
| LSC | Local Steering Committee |
| M&E | Monitoring and Evaluation |
| MEF | Ministry of Economy and Finance (<i>Ministère de l'économie et des finances</i>) |
| MUHCV | Ministry of Urban Development and Housing (<i>Ministère de l'Urbanisme, de l'Habitat et du Cadre de Vie</i>) |
| O&M | Operations and Maintenance |
| OP | Operational Policy |
| OSR | Own-Source Revenue |
| PRMP | Chief public procurement officer (<i>Personne responsable des marchés publics</i>) |
| PCC | Procurement Control Commission |
| PDO | Project Development Objective |
| PIM | Project Implementation Manual |
| PMU | Project Management Unit |
| PPA | Project Preparation Advance |
| PPSD | Project Procurement Strategy for Development |
| PURISE | Emergency Infrastructure Rehabilitation and Energy Project (<i>Projet d'Urgence de Réhabilitation des Infrastructures et des Services Electriques</i>) |
| RAP | Resettlement Action Plan |
| RMS | Results Measurement System |
| ROW | Right-of-Way |
| RPF | Resettlement Policy Framework |
| SCD | Systematic Country Diagnostic |
| SME | Small and Medium Enterprise |
| SPN | Specific Procurement Notice |
| SP-PIDU | Permanent Secretariat of the Urban Development and Infrastructure Project (<i>Secrétariat Permanent du Projet d'Infrastructures et de Développement Urbain</i>) |
| STEP | Systematic Tracking of Exchanges in Procurement |
| UNDB | United Nations Development Business |
| VOC | Vehicle Operating Cost |

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BASIC INFORMATION

| | | |
|--------------|---|-----------------------------------|
| Country(ies) | Project Name | |
| Togo | Togo - Infrastructure and Urban Development Project | |
| Project ID | Financing Instrument | Environmental Assessment Category |
| P161772 | Investment Project Financing | B-Partial Assessment |

Financing & Implementation Modalities

| | |
|---|--|
| <input type="checkbox"/> Multiphase Programmatic Approach (MPA) | <input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC) |
| <input type="checkbox"/> Series of Projects (SOP) | <input type="checkbox"/> Fragile State(s) |
| <input type="checkbox"/> Disbursement-linked Indicators (DLIs) | <input type="checkbox"/> Small State(s) |
| <input type="checkbox"/> Financial Intermediaries (FI) | <input type="checkbox"/> Fragile within a non-fragile Country |
| <input type="checkbox"/> Project-Based Guarantee | <input type="checkbox"/> Conflict |
| <input type="checkbox"/> Deferred Drawdown | <input type="checkbox"/> Responding to Natural or Man-made Disaster |
| <input type="checkbox"/> Alternate Procurement Arrangements (APA) | |

| | |
|------------------------|-----------------------|
| Expected Approval Date | Expected Closing Date |
| 17-Jul-2018 | 31-Dec-2023 |

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The project development objective (PDO) is to improve access to urban infrastructure and basic services in selected cities and strengthen the institutional capacity of participating cities in urban planning and management.

Components

| Component Name | Cost (US\$, millions) |
|---|-----------------------|
| Urban Infrastructure and Basic Services | 23.00 |



| | |
|--|------|
| Institutional Strengthening and Technical Assistance | 4.50 |
| Management, Coordination, Monitoring and Evaluation | 2.50 |
| Contingent Emergency Response | 0.00 |

Organizations

Borrower: Ministry of Economy and Finance

Implementing Agency: Ministry of Urban Development and Housing (Ministre de l'Urbanisme, de l'Habitat et du Cadre de Vie)

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

| | |
|---------------------------|-------|
| Total Project Cost | 30.00 |
| Total Financing | 30.00 |
| of which IBRD/IDA | 30.00 |
| Financing Gap | 0.00 |

DETAILS**World Bank Group Financing**

| | |
|---|-------|
| International Development Association (IDA) | 30.00 |
| IDA Credit | 30.00 |

IDA Resources (in US\$, Millions)

| | Credit Amount | Grant Amount | Total Amount |
|--------------|---------------|--------------|--------------|
| National PBA | 30.00 | 0.00 | 30.00 |
| Total | 30.00 | 0.00 | 30.00 |

Expected Disbursements (in US\$, Millions)

| WB Fiscal Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------|------|------|------|------|------|------|
| Annual | 2.50 | 2.99 | 5.17 | 7.35 | 8.08 | 3.90 |



| | | | | | | |
|-------------------|------|------|-------|-------|-------|-------|
| Cumulative | 2.50 | 5.49 | 10.67 | 18.02 | 26.10 | 30.00 |
|-------------------|------|------|-------|-------|-------|-------|

INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Climate Change, Jobs, Transport & Digital Development, Water

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

| Does the project plan to undertake any of the following? | |
|---|-----|
| a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF | Yes |
| b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment | Yes |
| c. Include Indicators in results framework to monitor outcomes from actions identified in (b) | Yes |

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

| Risk Category | Rating |
|---|---------------|
| 1. Political and Governance | ● Substantial |
| 2. Macroeconomic | ● Substantial |
| 3. Sector Strategies and Policies | ● Substantial |
| 4. Technical Design of Project or Program | ● Moderate |
| 5. Institutional Capacity for Implementation and Sustainability | ● Substantial |
| 6. Fiduciary | ● Substantial |
| 7. Environment and Social | ● Substantial |
| 8. Stakeholders | ● Moderate |



9. Other

10. Overall

● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

| | Yes | No |
|--|-----|----|
| Environmental Assessment OP/BP 4.01 | ✓ | |
| Performance Standards for Private Sector Activities OP/BP 4.03 | | ✓ |
| 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 | ✓ | |
| Safety of Dams OP/BP 4.37 | | ✓ |
| Projects on International Waterways OP/BP 7.50 | | ✓ |
| Projects in Disputed Areas OP/BP 7.60 | | ✓ |

Legal Covenants

Sections and Description

With reference to Schedule 2, Section I.A.3(d) of the Financing Agreement, in order to ensure the proper carrying out of the Project, the Recipient shall, not later than one (1) month after the Project Effectiveness Date, enter into a delegated management contract (“Delegated Management Contract”) with each of the Participating Cities, setting forth: (i) the roles and responsibilities of the Permanent Secretariat and each Participating City in respect of the implementation of the project, and (ii) effective local arrangements to plan, implement, and manage investments in respective Participating Cities, based on which Project funds are to be allocated by the Recipient to each



Participating City.

Sections and Description

With reference to Schedule 2, Section I.B.1 of the Financing Agreement, not later than three (3) months after the Effectiveness Date, the Recipient shall prepare in accordance with terms of reference acceptable to the Association, a Project Implementation Manual (“Project Implementation Manual” or “PIM”), setting forth, inter alia, the detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social safeguards management; (e) monitoring, evaluation, reporting and communication; (f) a code of conduct for any contractors/sub-contractors or consultants hired by the Recipient to carry out activities under the Project; and (g) grievance mechanisms.

Conditions

Type

Disbursement

Description

With reference to Schedule 2, Section III.B.1(b) of the Financing Agreement, no withdrawal shall be made under Category (3), unless the Association is satisfied, and so indicates by written notification to the Recipient, that all of the following conditions have been met with respect to activities under Part D of the Project:

- (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities under Part D of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
- (ii) the Recipient has prepared and disclosed in country and on the Association’s website all Safeguards Instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said Safeguards Instruments, all in accordance with the provisions of Section I.E.3(b) of this Schedule 2;
- (iii) the Recipient’s Coordinating Authority is adequately staffed and resourced as provided for under the provisions of Section I.E.2 of this Schedule 2, for the purposes of said activities; and
- (iv) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain or have been updated in accordance with the provisions of Section I.E.1(c) of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under the Part D of the Project.



TOGOLESE REPUBLIC

INFRASTRUCTURE AND URBAN DEVELOPMENT PROJECT

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I. STRATEGIC CONTEXT

A. Country Context

1. **With a population of about 7.3 million people, Togo is a small country in sub-Saharan Africa facing big development challenges.** In the past half century, since its independence in 1960, the country's economy has gone through some initial steady growth followed by a period of volatility, and even experienced a few dips into negative growth. The country currently faces significant challenges as it emerges from a period of relative isolation following years of political and economic troubles and donor disengagement in the 1990s and 2000s. These challenges include a high level of poverty (47.9 percent in 2016 and an estimated 47.1 percent in 2017), lower living standards than comparable countries, weak governance and institutional capacity, and an unfinished political reform agenda. Togo's per capita gross domestic product (GDP) in 2016, at US\$578 (in current terms), was about a third of that of its neighboring country, Ghana; and its current gross national income per capita is the ninth lowest among the 35 countries in Sub-Saharan Africa. Meanwhile, Togo was ranked 162 out of 188 countries in the United Nations Human Development Index 2015.

2. **In recent years, the country has experienced some significant growth and made modest progress in reducing poverty, but its economy appears to be vulnerable to shocks and remains unsustainable.** Agriculture and the services sectors are the mainstay of Togo's economy, which account for 41 percent and 22 percent of GDP, respectively. Industrialization is at its infancy, mostly located in the coastal region of the country. Economic growth over the past few years (2010–2015), averaging at 5 percent annually, was driven primarily by the growth in the tertiary sector, particularly in trade and other services. The country is now positioned to become a transport and commercial hub in the subregion, owing to its favorable geographic location, a recently upgraded national transport infrastructure, and a natural deep sea port. Growth in agriculture was also significant but volatile due to impacts of natural shocks and high climate risks. The country's main goods exports consist of crude materials such as carbonated phosphate. Togo also has other less exploited mineral reserves which could play an important role in the country's future economic development. Poverty rates in Togo declined from 61.7 percent to 55.1 percent between 2006 and 2015.¹ To accelerate and sustain poverty reduction, Togo will need to unleash a more robust, inclusive, and sustainable growth process, led by private economic agents, and supported and amplified by more effective Government policies, public investments, and services.

B. Sectoral and Institutional Context

3. **Urbanization in Togo has been accelerating since the end of the 1960s, and the role of urban markets and service centers is becoming increasingly important in the modernization of the economy.** At 4 percent per year, urban population growth rates in Togo are among the highest in the world. Currently, about 2.9 million people (or about 40 percent of the national population of 7.2 million) live in urban and peri-urban areas. Lower than expected rainfall, as well as periodic flooding has caused agricultural soil erosion and worsened already poor rural market access, leading to increased urban migration. If the current trend persists, by 2030, the population of Togo is projected to reach 10 million

¹ République Togolaise. 2015. *Rapport Final : Questionnaire des Indicateurs de Base du Bien-Etre.*



inhabitants with the urban population representing over 50 percent of the country's total population.² The country's capital city, Lomé, also doubling as the country's commercial capital, holds nearly half of the country's urban population, estimated at 1.8 million inhabitants. Secondary cities are fairly small in Togo, but they are growing rapidly. The number of cities with a population of more than 50,000 has grown from none to six in the past two decades, namely Kara, Sokodé, Kpalimé, Atakpamé, Dapaong, and Tsévié. The total population living in these six secondary cities nearly tripled between 1981 and 2016, with an estimate of nearly 500,000 inhabitants in 2016.³

4. **Cities in Togo are rapidly expanding yet there is a big service delivery gap in most municipalities.** More than 60 percent of Togo's urban population lives in informal settlements, which suffer from poor water and sanitation services, as well as higher risks of flooding due to inadequate drainage and other preventative investments. The inadequate drainage and lack of maintenance also put the urban roads network in a poor condition—only 18 percent of the 56 km of paved roads, and 16 percent of the 148 km of unpaved roads in Lomé are in good condition. Infrastructure services in secondary cities and rural areas are even more inadequate, and those that pose the most binding constraints vary by locality. Modern toilets are used by only about 3 percent of households in almost all secondary municipalities. Waste pickup services are not available to most residential neighborhoods. Haphazard and illegal dumping of solid waste in many sensitive areas of urban centers (mostly waterways) have led to the spread of many diseases, especially malaria and cholera which have reached epidemic levels in some cities. Poor access to clean water, proper sanitation, and waste management have led to many urban health issues, including severe negative impacts on the welfare of citizens and economy.

5. **Togo, as is the case with most countries in West Africa, is vulnerable to climate change along with the climatic disaster risks, mainly flooding, drought, and coastal erosion.** Togo has experienced severe flooding events in 2007, 2008, 2009, and 2010, among which the 2010 flood caused damages and losses worth more than US\$38 million.⁴ Densely populated urban areas, such as Lomé and its surroundings, bore the biggest loss as the impacts of the disastrous flooding were exacerbated by unplanned growth with informal settlements in low-lying lands, lack of functioning storm water drainage systems, and insufficiency of gutters. About 15,000 houses or about 75,000 to 100,000 residents of most cities in Togo are particularly vulnerable to climate risks, subject to recurrent flooding for more than 20 days every year and incur heavy yearly repair and maintenance expenses. In the face of increased climate risks, inadequate urban investments, combined with outdated master plans and restraining regulations are the major barriers toward effective, resilient, and feasible urban development, management, and upgrading. Through better urban planning and regulations and improved infrastructure and services, the exposure of population to damages and losses caused by similar disastrous events in the future could have been reduced significantly. For example, through investments on improving the drainage system under the recently completed World Bank-supported project, Emergency Infrastructure Rehabilitation and Energy Project (*Projet d'Urgence de Réhabilitation des Infrastructures et des Services Electriques*, PURISE, P113415), a total of 858,062 people in Lomé are now protected against periodic flooding. This shed light on the importance and urgency of strengthening urban management and infrastructure services in Togo's cities and informed the design of this project.

² World Bank. 2016. *Togo Systematic Country Diagnostics*. Report No. 108184-TG.

³ *Direction Générale de la Statistique et de la Comptabilité Nationale, République Togolaise*, Population Projection 2016.

⁴ World Bank. 2010. *Togo Post-Disaster Needs Assessment*, November 2010.



6. **Overall, urban growth in Togo has not been matched by the appropriate amount of urban investment, and public infrastructure investments rely heavily on donor financing.** Investment in basic urban infrastructure is mainly public- and donor-financed, notably including the construction of a network of primary urban roads and the rehabilitation and extension of a few major drains, financed, among others, by the World Bank, *Agence Francaise de Développement* (AFD), West African Development Bank, and the European Union (EU). Private sector investment in urban infrastructure has remained negligible. On average, public investment in urban infrastructure in the last five years stood at around CFAF 1 billion per year or less than US\$3 per capita. This amount represents about 3 percent of the overall public investment budgeted in 2014, which is quite limited for addressing the huge infrastructure gaps that urban areas are facing. At the same time, urban public assets are deteriorating rapidly because of lack of maintenance. The Government has developed urban rehabilitation programs with the support of some technical and financial partners (including the World Bank, EU, German Agency for International Cooperation [*Deutsche Gesellschaft für Internationale Zusammenarbeit*, GIZ], German Development Bank [*Kreditanstalt für Wiederaufbau*, KfW], AFD, and African Development Bank [AfDB]). The mobilization of private financing for the urban municipal infrastructure and related interventions (the financial viability of which is not yet established) remains difficult.

7. **Stagnant decentralization efforts and limited capacity of municipalities in Togo are further preventing the service delivery gaps from being filled, especially in secondary cities.** As in many other African countries, local governments in Togo are generally weak, with inadequate revenue mobilization, weak legal bases for tax collection at local levels, and unavailability of the necessary resources to finance municipal services. There is a strong need to empower the local governments and to better facilitate intergovernmental fiscal transfers to bring resources to the local governments where it is most needed. However, Togo's decentralization efforts have been feeble and quite slow. The stagnant national decentralization agenda leaves cities with limited means and capacity to discharge their functional mandate. In spite of a decentralization policy enshrined in the Decentralization Law (no. 2007-011 dated March 13, 2007), this law is still encountering implementation difficulties, mainly due to (a) the Government's delay in genuinely transferring powers (responsibilities) and the resources needed for their effective implementation by local governments, (b) the lack of institutional capacity of these local governments, and (c) the lack of defined urban policies and the failure to enforce land-use regulations and public investment management.

8. Under the circumstances summarized above, after the closing of PURISE (rated Satisfactory), the Government of Togo (GoT) requested World Bank support on a new operation to scale up investments on urban infrastructure and to improve basic services in more cities. The design of this project is therefore shaped by the iterative discussions between the GoT and the World Bank.

C. Higher Level Objectives to which the Project Contributes

9. **The project is fully aligned with the new Country Partnership Framework (CPF) for the period 2017–2020.** The CPF indicated three focus areas to support Togo in its development: (a) private sector performance and job creation; (b) inclusive public service delivery; and (c) environmental sustainability and resilience. This project supports the latter two of these three areas by (a) improving access to urban services in selected cities; (b) promoting the capacity of municipalities to improve access to infrastructure and services; and (c) mitigating climate risks and building resilience of cities through both infrastructure investments and capacity building efforts.



10. **The project will also contribute to the World Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity.** By improving infrastructure services in project participating cities, the proposed interventions would directly improve the living conditions of the residents, especially those in extreme poor households, through better access to services and opportunities. By improving basic social and infrastructure services in the participating cities, the project will help reduce the high health risks and flood risks faced by poor urban households, thus protecting them from losses of family assets caused by flooding/illness. By investing in urban infrastructure, the proposed investments of this project will create temporary labor-intensive jobs for the poor, especially the youth, thus improving the livelihoods of those households both in the short run (due to increased income from temporary jobs) and in the long run (due to gained job skills and increased employment opportunities). In addition, by building the capacity of the participating municipalities, the project is expected to also promote better urban management which in turn would lead to better urban development and poverty reduction outcomes in the future.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

11. The project development objective (PDO) is to improve access to urban infrastructure and basic services in selected cities and strengthen the institutional capacity of participating cities in urban planning and management.

12. Activities proposed under this project will improve the access to basic infrastructure services for the population of the most deprived districts of beneficiary municipalities, through rehabilitating, restoring, and improving urban infrastructure facilities; and to strengthen the capacity of participating cities in managing sustainable urban development, through technical assistance, trainings, and other capacity building activities.

B. Project Beneficiaries

13. The project has three groups of direct beneficiaries, namely (a) the residents of the three participating cities (Lomé, Kara, and Dapaong), whose access to basic services will be directly improved by the rehabilitated/improved infrastructure facilities financed by the project, such as roads, drainage, water, sanitation, and markets; (b) the Government officials of the seven participating cities (Lomé, Kpalimé, Tsévié, Atakpamé, Sokodé, Kara, and Dapaong), who receive capacity building and institutional support from the project; and (c) people who are temporarily employed and/or receive skills trainings to work on the subprojects and infrastructure investments to be financed by the project. Preference will be given to local unemployed youth and (whenever appropriate) women so as to improve their income and livelihoods. Therefore, the total number of direct beneficiaries will be approximately 100,000.

14. In addition, broadly speaking, the entire population of the seven participating cities, estimated at a total of approximately 2.3 million persons, will be indirect beneficiaries of this project as they will enjoy the benefits of improved governance, strengthened institutions, and enhanced urban management in their respective cities as a result of the capacity building and technical assistance efforts under the project.



C. PDO-Level Results Indicators

15. The achievement of the PDO will be measured by the following PDO-level results indicators:

- **People provided with improved urban living conditions** (sub-indicator: female beneficiaries) (Corporate Results Indicator). These include those who benefit from project investments with any one or more of the following: (a) reduced exposure to flood risks due to improvement in drainage and solid waste management systems, (b) increased access to all-season roads, (c) improved access to potable water sources, (d) reduced health risks due to improvement in the sanitation conditions of the community, and (e) improved access to markets and other socioeconomic infrastructure financed by the project. When calculating the total number of beneficiaries, beneficiaries of any of the above five categories will be aggregated with cross-validation through mapping to avoid double counting. The target value of this indicator is 100,000 persons, of whom 50,000 are female.
- **Number of cities with improved urban planning and management, as measured by the completion and update of Local Development Plans (LDPs) and Detailed Urban Plans (DUPs) with prioritized investments.** To ensure that the development of these plans would translate into investment actions with tangible impacts on the communities, all investment proposals included in the plans will be elaborated with detailed strategies on implementation, sequencing, and financing, so that they would be ready to implement when financing becomes available. The target value of this indicator is 7 cities.

III. PROJECT DESCRIPTION

16. **One major challenge is Togo's huge investment need in relation to the limited funding that is currently available.** The GoT was originally hoping to implement this project in seven cities, namely its national capital, Lomé, and six secondary cities: Kpalimé, Tsévié, Atakpamé, Sokodé, Kara, and Dapaong. These six secondary cities are all important regional urban centers (including regional capitals and a tourism center) with concentrated urban population and big service gaps. However, given the limited IDA financing available, infrastructure investments in all seven cities will spread the financing too thin to achieve meaningful impacts or economy of scale. Therefore, it was agreed between the World Bank and the GoT to allocate its infrastructure investments in only three major cities—Lomé, Kara, and Dapaong. Meanwhile, capacity-building activities will be financed in all seven cities, with the hope that they will be well-prepared for implementing investments in infrastructure and basic service delivery when additional funding becomes available.

17. **Against that background, the project has been designed with a phased approach in investments.** Pre-identified priority investments will serve as the first batch of infrastructure investments, followed by other selective activities identified through local planning processes. The project puts great emphasis on investment planning and capacity-building activities to prepare cities not only to effectively implement this project, but also to get ready for future projects financed by other donors. These include the development, improvement, and updating of the LDPs and DUPs in each city using a participatory approach. The LDPs and DUPs will identify the needs, gaps, and priorities in resilient and structural urban development investments in the cities to lay out an investment road map for future investments. The plans will be discussed among stakeholders, including national and local governments, private sector, as



well as technical and financial partners to prepare a platform for future intervention. Other technical assistance provided by this project will also strengthen the institutional capacity of the cities in urban management, such as financial audits, budgeting and accounting, and so on, to ensure smooth and effective implementation of urban infrastructure projects. Such a phased approach will allow for (a) flexibility in subprojects and investments to cater to the beneficiary cities' needs; and (b) room and opportunities to facilitate collaboration and co-financing with other donors to leverage additional funding.

A. Project Components

18. **The proposed project has four components:** (1) Urban Infrastructure and Basic Services; (2) Institutional Strengthening and Technical Assistance; (3) Management, Coordination, Monitoring and Evaluation; and (4) Contingent Emergency Response.

Component 1: Urban Infrastructure and Basic Services (US\$23 million equivalent⁵)

19. The objective of this component is to increase access to urban infrastructure and basic services in underserved neighborhoods in the three cities of Lomé, Kara, and Dapaong. Average investment per capita in all three cities will be approximately US\$11. The per capita investment in Kara and Dapaong is much higher than in Lomé (which has received significant investment under PURISE), given that this is the first urban infrastructure project financed by the World Bank to invest significantly in these two cities. The detailed funding split among the three cities is described in annex 1. Based on sequencing of project activities, tentative investments under this component are divided into two subcomponents.

20. **Subcomponent 1.1: Priority investments (US \$13.9 million equivalent).** A priority investment program was developed during the project preparation phase, in collaboration with the Borrower and the municipalities of the three selected cities. The identification and selection of these priority investments were largely based on the local priorities of each city according to their own infrastructure plans and/or development agenda, while taking into consideration the number of beneficiaries to be reached, feasibility and financing amount, as well as readiness for implementation. The agreed priority investment program includes (a) the completion of two urban road segments including drainage in Lomé for a total length of 1.8 kilometers, (b) the construction/rehabilitation of four urban road segments including drainage in Kara for a total length of 3.1 kilometers, and (c) the rehabilitation of 760 meters of urban roads, the construction or rehabilitation of 1.6 kilometers of roadside drainage, and the construction of 110 meters of culverts.

21. **Subcomponent 1.2: Other urban infrastructure and services (US \$9.1 million equivalent).** This subcomponent will finance, the following potential activities: (a) urban roads and public space improvements, including street lighting and landscaping; (b) water supply points/systems; (c) drainage and storm water management systems; (d) small social infrastructure such as school and health facilities; and (e) small economic infrastructure such as markets and merchant stalls. The activities will be selected in a participatory manner at the local level on the basis of the priorities defined in the LDPs and DUPs. Selection criteria will include feasibility and sustainability, impacts on beneficiaries, value-added of World Bank assistance, and complementarity with other donors.

⁵ This includes US\$1.25 million for the Project Preparation Advance (PPA).



22. **Sequencing of activities.** For the first year, the focus will be on implementing the activities of the priority investment program and building a portfolio of tentative investments in Subcomponent 1.2, including the preparation of tendering documents. These include technical and feasibility studies, detailed design for civil works, as well as environmental and social safeguards documents, all of which will have been finalized within the first 18 months of project effectiveness, to ensure timely commencement of civil works. It is expected that the bidding documents for the priority investments in Lomé and Kara (with a total contract value of approximately 30 percent of the project cost) will be ready by the end of August 2018, therefore the actual works could be launched at project effectiveness.

23. **Climate co-benefits.** Given the frequent disastrous events in the past decade, climate risk adaptation measures to reduce the vulnerability of the cities in case of natural disasters and mitigation measures to reduce Green House Gas (GHG) emissions and improve urban management toward sustainable growth are given serious consideration and included as key objectives for all investments in all the three cities. The results and outcomes of PURISE and other similar urban projects show that rehabilitation of drainage systems will significantly reduce the vulnerability of urban households in case of flooding. In addition, research shows that the improvement of road conditions (from unpaved roads to paved roads) will also significantly improve the level of service on the road, hence reducing GHG emission from cars on the road on average.⁶ More important, the design of all proposed investments in urban roads, public spaces, and social and economic infrastructure under this project will incorporate measures to make them resilient to climate risks. Energy efficiency equipment and devices using renewable energy will also be applied whenever possible and feasible. Therefore, the entire US\$23 million of investments under Component 1 should yield significant climate co-benefits from both adaptation and mitigation effects.

Component 2: Institutional Strengthening and Technical Assistance (US\$4.5 million equivalent)

24. This component will provide technical support to strengthen the institutional capacity of the seven participating cities, namely the three cities financed under Component 1 as well as Kpalimé, Tsévié, Atakpamé, and Sokodé. Activities will focus on the areas of urban planning, asset management and investment planning, municipal finance, and citizen engagement. During preparation, the World Bank team and the GoT have held multiple consultations and meetings with other donors and development partners to coordinate efforts on capacity building in municipalities. As a result, the project has carefully selected priority areas and activities to complement other donors' projects to create maximum synergy and to avoid duplication.

25. **Subcomponent 2.1: Technical assistance on urban planning and technical studies of investments (US\$2.7 million equivalent).** This subcomponent will provide technical support to the seven cities to (a) develop (where LDP is nonexistent), update (where LDP is existent but expired or toward expiration), and elaborate their LDPs, and develop/update DUPs in accordance with the LDPs to prioritize urban infrastructure investments and to manage spatial growth in the future; (b) prepare technical studies and bidding documents of proposed investments to be financed later, when additional financing is available or by other donors when deemed relevant⁷; (c) develop national regulatory tools of urban development, such as a code of urban planning and construction; (d) provide support on land management; and (e) take

⁶ Setyawan, Ary, Irvan Kusdiantoro, and Syafi'i. 2015. "The Effect of Pavement Condition on Vehicle Speeds and Motor Vehicles Emissions." *Procedia Engineering* 125 (2015): 424–430.

⁷ Priority will be given to activities that would complement and maximize the impacts of investments under public financing or donors' programmes, e.g. infrastructure needs in Kpalimé and Sokodé identified by GIZ which cannot be satisfied under PIDU.



stock of capital assets and develop or update asset management plans. Awareness on the global and local trends of increasing climate risks as well as the importance of urban resilience will be raised throughout the planning process. Concrete strategies and practical solutions to promote sustainable development, such as mixed-use and compact land development and non-motorized transport planning, will be included in these LDPs and DUPs to guide urban development in both the short and long run.

26. Subcomponent 2.2: Capacity building and institutional strengthening of municipalities (US\$1.3 million equivalent). This subcomponent will implement a program of capacity-building activities in various formats, based on the needs and the findings of the financial and institutional assessment studies of each city. Activities will focus on the areas that are enclosed with the legal mandates of the municipalities to help them better carry out their functions, notably on information management, capital investment, and municipal finance and operations. Tentative activities would include but not be limited to (a) training of city officials on municipal management and finance, including environmental and social safeguards, planning, budgeting, accounting, reporting, auditing, and monitoring and evaluation (M&E); (b) technical support on drafting standard procedures/manuals for financial management (FM), in the municipalities; (c) technical support on the establishment and enhancement of municipal information management systems; and (d) city-specific analysis and demand-driven just-in-time technical assistance on topics of each municipality's priority area.

27. Subcomponent 2.3: Community awareness and citizen engagement (US\$0.5 million equivalent). This subcomponent will finance activities for raising awareness on citizen engagement and promoting community participation in urban management and planning process. The objective of these activities is mostly to encourage residents and community groups to take ownership of the project deliverables (for example, civil works and services) to ensure the sustainability of project investments in the long run.

Component 3: Management, Coordination, Monitoring and Evaluation (US\$2.5 million equivalent)

28. This component will finance the direct costs of the management and operation of this project to ensure smooth implementation of all project activities in accordance with the World Bank's policies and guidelines. It will support the Borrower in the areas of project coordination, supervision, FM, procurement, M&E, communication, audits, as well as preparation and supervision of implementation of the safeguards instruments, preparation of related surveys, including the provision of training, operating costs, goods and services for the required purposes. Specific activities to be financed under this component are included in annex 1.

Component 4: Contingent Emergency Response (US\$0 million equivalent)

29. This Contingent Emergency Response Component (CERC) is included under the project in accordance with Bank Policy Investment Project Financing, paragraphs 12 and 13, for situations of urgent need of assistance, as a project-specific CERC. Given the increasing climate risks in Togo, particularly the risks of flooding and drought, the Government may request the World Bank to reallocate project funds to support mitigation, response, recovery, and reconstruction. Therefore, it is advisable to have a contingent component to prepare for quick responses to emergencies. This will allow for rapid reallocation of project funds in the event of a natural or artificial crisis during the implementation of the project to address eligible emergency needs under the conditions established in its Operations Manual. This component will have no funding allocation initially and will draw resources from the category with uncommitted



expenditure in the case of activation. If an Immediate Response Mechanism (IRM) is established, this component will serve as an IRM CERC to allow the reallocation of uncommitted funds from the project portfolio to the IRM Designated Account (DA) to address emergency response and recovery costs, if approved by the World Bank.

B. Project Cost and Financing

| Project Components | Project Cost (US\$, millions) | IBRD or IDA Financing (US\$, millions) | Trust Funds (US\$, millions) | Counterpart Funding (US\$, millions) |
|--|-------------------------------|--|------------------------------|--------------------------------------|
| Urban Infrastructure and Basic Services | 23 | 23 | — | — |
| Institutional Strengthening and Technical Assistance | 4.5 | 4.5 | — | — |
| Management, Coordination, Monitoring and Evaluation | 2.5 | 2.5 | — | — |
| Contingent Emergency Response | 0 | 0 | — | — |
| Total Costs | 30 | 30 | — | — |
| Total Project Costs | 30 | 30 | — | — |
| Front End Fees | — | — | — | — |
| Total Financing Required | 30 | 30 | — | — |

C. Lessons Learned and Reflected in the Project Design

30. **The design of this project learns from and builds on the experiences of previous projects of similar scope and in similar contexts financed by the World Bank and other donors.** The World Bank has a solid record of implementation techniques, especially for infrastructure and rehabilitation projects in Sub-Saharan African cities and in post-conflict contexts. Previous World Bank operations exemplified the challenges and difficulties with specific operations implemented in secondary cities of low-income countries where service gaps are the greatest and the capacities are the lowest. This suggests that clarity and simplicity in project design, accompanied by sound implementation arrangements and capacity-building activities are key to the success of service rehabilitation and delivery operations in low-capacity areas.

31. Particularly, drawing from the recently completed PURISE project in Togo and several projects of similar scope in West and Central Africa⁸, which all informed the scoping and design of this project, the following key lessons were taken into consideration.

⁸ These projects include: DRC Urban Development Project (P129713) and Additional Financing (P157114) as well as Gabon Infrastructure and Local Development Project I (P082812) and II (P151077).



32. **Project steering and coordination.** Strong Government commitments at both the central and local government levels and continuous dialogue between key stakeholders are essential to the success of the project. Integrating maintenance provisions along with clear assignment of institutional responsibility from the beginning is also important. Additionally, a realistic scope and step-wise planning approach should be adopted to rehabilitate and improve the services in infrastructure-deprived contexts.

33. **Inclusiveness and safeguards.** Extensive communication with beneficiaries and a participatory approach are crucial to ensure project success and sustainability. Ensuring adequate capacity and support on social and environmental safeguards is important. In addition to providing training and support on safeguards to technical staff of involved agencies as needed, it is also key to sensitize decision-makers on World Bank policies to enable effective oversight and facilitate the implementation process. Moreover, capacity-building support to local companies should be a continuous process throughout the project course. The project will also build on the lessons learned from the Interministerial Compensation Committee (*Comité Interministeriel d'Indemnisation*, CII) that was created under PURISE and located within the Ministry of Economy and Finance (*Ministère de l'économie et des finances*, MEF). All persons affected by the PURISE as well as projects implemented on the Government's own funds look to CII to obtain adequate, rules-based, and appropriate compensation.

34. **Demand-driven capacity building.** The design of this project also incorporates lessons of global experience, which has demonstrated that creating incentives and improving accountability are important to support improvements in local government performance. Lessons from PURISE showed that capacity-building activities on topics closely related to project implementation, such as resettlement and environmental safeguards, effectively helped the Borrower in carrying out project activities smoothly with good compliance with World Bank policies. To involve the city administrations from the outset and make the technical assistance elements more practical and feasible, they have been involved in investment prioritization during the preparation of this project and will remain involved in the development and elaboration of planning documents during implementation. While developing these documents, priority areas for technical assistance in each city, for example, areas with the largest capacity gaps and utmost urgency, will be identified as well. The capacity-building activities under Component 2 will then be catered to the specific context and priorities of each city, with funding reserved for customized demand-driven capacity support, where each city will submit its own proposal on the content and format of their own capacity-building programs. Such a demand-driven approach will allow for more flexibility in capacity building and will be better tailored to the needs of each municipality identified during project implementation.

35. **Budgeting with contingency to avoid financing shortfall.** Cost-overruns due to site conditions, work delays, inclement weather, or other unforeseen factors are a common issue found in previous projects of similar scope and context. To avoid financing shortfalls toward the end of the project, all the investments and activities proposed under this project will be budgeted with a reasonable amount of contingencies included. The combination of technical experts at both the central and local levels will also help review and cross-validate the costing of all subprojects.



IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

36. **The project implementation arrangements rely on two tiers of institutions, at central and local levels.** At the central level, the Ministry of Urban Development and Housing (*Ministère de l'Urbanisme, de l'Habitat et du Cadre de Vie*, MUHCV) will be the World Bank's main counterpart responsible for this project to establish a Permanent Secretariat as the implementation unit of the project; an Interministerial Steering Committee (ISC) chaired by the MUHCV consisting of other related central ministries and key stakeholders has been formed for coordination and monitoring purposes. At the local level, each of the seven participating cities will have a Local Steering Committee (LSC) chaired by the mayor to facilitate and coordinate project implementation in their communities.

37. **Project Implementation Permanent Secretariat.** The Permanent Secretariat of the Urban Development and Infrastructure Project (*Secrétariat Permanent du Projet d'Infrastructures et de Développement Urbain*, SP-PIDU),⁹ has recently been created within the MUHCV, hosted under the Department of Infrastructure and Urban Services (*Direction Générale des Infrastructures et des Équipements Urbains*, DGIEU) to coordinate project preparation, implementation, and management tasks. The Director of Urban Infrastructure under the DGIEU functions as the Permanent Secretary of SP-PIDU. The MUHCV has previous experience in implementing infrastructure projects, such as PURISE, but its capacity still needs to be strengthened through trainings and the addition of consultants on fiduciary, safeguards, and technical aspects. For this project, the Government opts to have this project implemented by the relevant departments to ensure better ownership of the project and the sustainability of investments. The SP-PIDU will be responsible for managing the project at the central level, coordinating overall project implementation in various locations, ensuring the timely availability of fund transfer, maintaining project accounts and producing financial reports, M&E program implementation and impact assessments, and reporting results to various stakeholders. It will consist of both civil servants and experienced consultants. The consultants will help build the capacity of SP-PIDU and will phase out from the project over time. Training and capacity-building tasks will be included in consultants' contracts. In particular, under the leadership of the Permanent Secretary, the SP-PIDU will include a Procurement Specialist (with extensive engineering, contract management, procurement, and communications knowledge), a Communications Officer, a Senior Civil Engineer, an FM Specialist, an Accountant, a Monitoring and Evaluation Specialist, an Environmental Safeguards Specialist, and a Social Safeguards Specialist. Certain key members of the SP-PIDU, particularly the Procurement Specialist, the Senior Civil Engineer, and the FM Specialist are under recruitment and expected to be on duty by end of August 2018. The Borrower is expected to complete the recruitment of the safeguards specialists within two months from the project effectiveness date. To reduce wage disparities between civil servants and consultants, all the civil servants within the SP-PIDU will receive an allowance from the budget of the national government, the amount of which will be determined jointly by the MUHCV and the MEF.

38. **Interministerial Steering Committee.** An ISC has been established for project supervision and monitoring, chaired by the minister or his representative from the MUHCV, and includes representatives from relevant line ministries (including the MEF, Ministry of Development and Planning, Ministry of

⁹ The creation of the Permanent Secretariat was formalized through a Government decree Arrêté No. 264/2018MUHCV-CAB/SG/DGIEU, dated March 14, 2018.



Infrastructure and Transport, Ministry of Land, Decentralization and Local Governments, Ministry of Environment and Natural Resources, and Ministry of Water and Sanitation), Director of the DGIEU under the MUHCV, the mayors or their representatives from the participating municipalities, as well as representatives from traditional communities, civil society, and the private sector. A detailed description of the ISC and its modality of operation have been specified in a recent Government decree released on March 1, 2018.¹⁰ The functions of the ISC are focused on project oversight, including provision of overall project guidance, approval of annual work plans and budgets, and facilitate coordination of project activities.

39. **Local Steering Committee.** In each of the three participating cities, an LSC chaired by the mayor will be established and include representatives of deconcentrated services, local government technical services, associations of the private sector, and representatives of local communities. Women and youth, who are commonly marginalized from local decision making, will be included in local consultative forums through local women's and youth organizations. These LSCs will ensure coordination, planning, and monitoring of implementation of the project activities and submit reports to the SP-PIDU to be reviewed by the ISC on a regular basis. As the city administrations do not, at the outset, have the adequate capacity to implement project activities, this implementation responsibility will be held at the SP-PIDU through a “Delegated Management Contract” between each participating city and the SP-PIDU. This document will set forth the roles and responsibilities of the SP-PIDU and each participating city in respect of the implementation of the project. Several elements of the project are designed to help the cities achieve the basic required capacity to gradually take on implementation responsibility, through technical assistance and other capacity-building activities. Subject to the cities developing sufficient capacity during project implementation, they will be given responsibility for procurement and/or supervision of smaller works after an initial start-up phase, with a differentiated approach to take into account variation in capacity among participating cities.

40. **Coordination between central and local levels.** The participating cities, the principal beneficiaries of the project, will be responsible for developing investment proposals through a participatory process. Horizontal coordination within each municipality will be ensured through the LSC by ensuring close consultations with various sectors and technical services. Proactive citizen engagement strategies will be developed and applied to ensure that women and youth, and other commonly marginalized groups, will be involved in local consultation sessions.

B. Results Monitoring and Evaluation

41. **The reporting and M&E of the project outputs, outcomes, and results will be based on the agreed results framework and monitoring arrangements.** Project reporting and M&E, including social accountability measures, will be managed and coordinated by the SP-PIDU using information collected from the local teams in all participating cities on a regular basis. The results framework lays out the modalities and frequencies of collecting key data on results and outcomes, including project progress reports, third-party evaluation studies, and specific baseline and post-intervention beneficiaries surveys, and so on. A semiannual monitoring table and progress reports will be prepared by the SP-PIDU and discussed during the ISC meetings. These reports will assess achievements against the agreed work plans and the overall PDO. The SP-PIDU will be responsible for preparing quarterly reports and updating the

¹⁰ Arrêté No. 231/2018/MUHCV-CAB/SG. The ISC is called Comité Interministeriel de Pilotage (CIP) in French.



work plans on an annual basis, taking into account the achievements of the project outcomes to date, the strategic focus of the project, and IDA feedback. Special attention will be given to M&E from the beginning of the project.

42. **An in-depth evaluation of project results will be undertaken at the midterm review to make any course correction needed.** The objective of the review will be to assess progress and, if necessary, make changes in the project based on additional lessons learned and the realities on the ground. All studies and reports conducted in the framework of the project will be appropriately disseminated according to the World Bank's Disclosure Policy.

43. **Communication strategy.** A Communications Specialist (within the SP-PIDU) will be required to manage the overall communications aspect for the project. The main objective is to (a) facilitate the flow of information between the various agencies involved in project implementation with the view of creating an environment of transparency and accountability (with regard to flow of funds, activities to undertake, outputs, and outcomes) and facilitate strategic decisions at all levels; and (b) ensure that the project's main objectives and progress being achieved are well-communicated to the immediate beneficiaries, and to the general public at large taking into account suggestions, comments, and ideas received as feedback from project beneficiaries. The following aspects of the project would have direct need for communications expertise—environmental and social aspects; transparency in the procurement process; community involvement, participation, and ownership; and also possible political interference during project implementation. Any problems that could arise on any of these fronts should be clearly identified and an appropriate communication plan should be developed to address them promptly. The GoT will develop and deploy within six months of effectiveness a comprehensive communications strategy designed to address all important issues identified that might affect project implementation, taking into account all stakeholders in the public and private sectors, beneficiary communities, civil society, and the media to ensure consistency of messages to targeted audiences.

C. Sustainability

44. **All infrastructure funded by the project will be screened upfront for sustainability of Operations and Maintenance (O&M) arrangements.** Several measures will be adopted to ensure sustainability of the project investments. First, at the feasibility study and design stage, strong quality assurance and quality control will be performed by the SP-PIDU to build in features that could minimize or reduce operating costs of the infrastructure. Second, when budgeting for the subproject activities, all infrastructure investments will be accompanied by an O&M plan that demonstrates adequate human resources as well as technical and financial resources (for example, through user fees, city budget, or the Government) to ensure continued flow of benefits from the investments (by the city and/or the communities, depending on the nature of the investment). Third, the project will provide capacity-building activities to the local teams in the cities to ensure continuous efforts of effective and efficient planning, investment, and management of the infrastructure assets. A Maintenance Manual will be prepared and updated with standard management contracts for the cases where O&M is transferred to the cities. Finally, the project will ensure complementarity with other on-going and planned projects in terms of cost sharing to further maximize investment benefits and sustainability.



D. Role of Partners

45. Since the resumption of their engagement in the country, a number of donors have been supporting the Government in achieving its objectives on delivering infrastructure and urban services to the population as well as building the capacity of cities on urban management. The project complements the actions carried out by a series of projects funded by the EU, AFD, KfW, and GIZ, including (a) the Decentralization and Urban Governance Project (ProDeGol), whose objective is to strengthen the capacity of the municipal administration, finance, and modernization of vital statistics services; (b) Decentralization Support Project 1 and 2, whose objective is to support the GoT in its decentralization efforts; and (c) Water and Sanitation Project in Togo (1 and 2), whose objective is to improve the living conditions of the targeted population through improved and sustainable access to the basic services of drinking water as well as household and collective sanitation. As the readily available funding is relatively small compared to the needs of the cities, the task team has been in close discussions with the development partners to maximize complementarity and development impacts. In particular, LDPs and DUPs will be used as the entry point and road maps to identify prioritized infrastructure needs and next steps for providing development support in the cities of Togo.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

46. **The overall risk for achieving the PDO is rated Substantial.** This assessment is consistent with the CPF risk assessment and is based on the ratings for political and governance, macroeconomic, sector strategies, institutional capacity, fiduciary and safeguards, each of which present substantial risks to the achievement of the PDO. The rating for each category is listed in table 1, with explanations underneath.

Table 1. Project Risk Ratings by Category

| Risk Categories | Rating (H, S, M, or L) |
|---|------------------------|
| 1. Political and governance | S |
| 2. Macroeconomic | S |
| 3. Sector strategies and policies | S |
| 4. Technical design of project | M |
| 5. Institutional capacity for implementation and sustainability | S |
| 6. Fiduciary | S |
| 7. Environmental and social | S |
| 8. Stakeholders | M |
| 9. Others | |
| Overall | S |

Note: H = High; L = Low; M = Moderate; and S = Substantial.

47. **Political and governance risks are rated Substantial.** The country of Togo is currently on the list of Fragility, Conflict, and Violence (FCV) affected countries of the World Bank. As the next presidential elections approach in 2020, some uncertainties in Government policies are foreseen. The tensions and violence that have accompanied the opposition movement and increased calls for political reforms could impede or delay implementation of activities in particular in the cities that are most affected. The CPF has indicated that the World Bank will improve its communication on the benefits of reforms for the success



of the country's development priorities and helping the Government improve its communication to reduce the potential for tensions and provide space for the authorities to implement the reforms needed. The project has reserved certain budgets on communications to support this strategy. In addition, this project will also mitigate the political and governance risks by supporting government efforts to deliver better services at the local level, ensuring strong ownership of the project by the Government and local communities, strengthening accountability and citizen engagement and providing needed technical support for decentralization.

48. **Macroeconomic risks are Substantial.** The escalated level of public debt and needed major fiscal adjustment poses significant risks for the growth outlook of the country and the sustainability of fiscal reforms and donor-funded projects. These risks are exacerbated by the fact that the Government appears to have reduced capital spending even beyond the requirements under the International Monetary Fund (IMF) program and is also falling short on minimum thresholds for social spending. On the other hand, the reduction in the fiscal deficit should help crowd-in private sector credit and investment, further supported by the Government's settlement of arrears to the private sector and recapitalization of the new public bank resulting from the ongoing merger of the two main public banks. Substantial financial and reform support from the IMF, the World Bank, and other donors further helps contain risks.

49. **Sector strategies and policy risks are Substantial.** Togo's performance in formulating and implementing sector strategies is mixed, and the Strategic Country Diagnostic concluded that weak governance has led to policies and implementation that are often not sufficiently pro-poor. Weak institutional capacity at the municipal level is a huge challenge to the success of this project. The increasing burden of investing in and delivering urban infrastructure and services, contrasted with highly constrained municipal resources, leaves cities with limited means and capacity to fulfill their functional mandate. An ongoing national decentralization agenda is encountering implementation difficulties in both institutional capacity and financial resources. This project, through combining centralized project coordinating units with decentralized local committees in participating cities securing both political leadership and technical expertise, will largely contribute to the strengthening and empowering of the local governments, thus also mitigating the risks associated with urban policies and strategies.

50. **Institutional capacity risks are Substantial.** This project will be managed by the SP-PIDU created within the DGIEU under the MUHCV. Such an arrangement is new to the country, as projects used to be implemented by entities outside of the line ministries. The institutional capacity risks are estimated as Substantial, given the fact that the Government officials have no prior experience directly managing World Bank-financed projects. Key project implementation risks will be mitigated through vigorous capacity building, training, and hands-on support throughout the project cycle. During project preparation and implementation, training will be provided in the area of procurement, FM, contracts management, supervision of works and contracts, safeguards, and project management to improve governance at the project level. An anticorruption plan will be defined and regularly assessed.

51. **Fiduciary risks are Substantial,** as both FM and procurement risks are rated Substantial. Capacity assessments on FM and procurement were conducted during preparation and summarized in Annex 2. Fiduciary risks will be mitigated through (a) using and strengthening the country systems for staffing, budgeting, accounting, financial control, and disbursement; (b) streamlining the project operation by preparing and implementing a Project Implementation Manual (PIM); (c) providing trainings by the



consultants in the SP-PIDU; and (d) providing sufficient implementation support from the World Bank team.

52. **The environmental and social risks are rated Substantial.** As the project will finance some public works for infrastructure facilities, such as road, drainage, and solid waste management, it is likely to encounter some environmental and social issues. A comprehensive Environmental and Social Management Framework (ESMF) has been prepared, approved, and publically disclosed¹¹ to systematically manage the risks. A Resettlement Policy Framework (RPF), and Resettlement Action Plans (RAPs) for the priority investments in the three cities have been drafted, reviewed, and disclosed in the country and on the World Bank website on May 16, 2018. These safeguards documents, together with other supporting safeguards mechanisms, will be implemented to mitigate potential social and environmental risks associated with the project. In addition, throughout the project cycle, the effective participatory approach under PURISE will be replicated to help improve transparency of urban investments and promote better lines of accountability between municipalities and local populations. Publication and opening of access to information on urban and municipal management will be a basic principle of the project, and civil society organizations will be involved to ensure communities' involvement in the monitoring of the implementation and the sustainability of the investments. Finally, to ensure the successful start-up of project activities, all stakeholders in the project will be fully involved in a participatory manner from preparation to implementation.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

53. **Costs.** Direct costs of the projects will mainly include costs on the following: (a) capital investments for infrastructure projects; (b) institutional support and project management; and (c) training, capacity building, community engagement, and contingencies. Additional costs may be incurred when works are underway, including temporary blockage/rerouting of roads, temporary resettlement of households and traders, and temporary shutdown of utilities near the construction sites.

54. **Benefits.** As the actual investments are yet to be determined, the actual benefits of the project may vary. However, given that the project will focus on investments in urban roads, drainage, water, sanitation, and interventions on urban planning and management, the expected direct benefits of the project are likely to include (a) increased urban mobility, reduced travel time and vehicle operating costs on newly rehabilitated roads; (b) reduced injuries and loss of assets caused by flooding through improvement in the drainage system; (c) saved time on water hauling/fetching, especially for women who used to carry such burden, due to increased access to water points, (d) improved health conditions and prevented illness of people in the project area, especially of the vulnerable children and seniors, who are less exposed to diseases due to improved sanitation and waste management; and (e) improved efficiency and capacity in urban management and governance. It is also expected that the project will generate indirect benefits such as: (a) promoting of economic activities for businesses; (b) strengthening of the construction sector; (c) job training and job creation, particularly for young people, women, and unskilled

¹¹ The full document was published online on April 25, 2018 by the Government at: http://urbanisme.gouv.tg/sites/muhcv/files/2018-04/rapport_cges.pdf



manpower; (d) improved fiscal conditions of participating cities; and (e) protection against natural disasters in the long run.

55. **Value for money.** A partial cost-benefit analysis (CBA) was conducted based on the priority investments in Lomé and Kara, which count for about 50 percent of the infrastructure component financing. These investments include the rehabilitation of six urban road segments with improvement in drainage systems in the two cities. The CBA quantified the major benefits stemming from the saved vehicle operating costs and user costs. The major benefits of drainage investments are avoided flood damages using the data of losses from past flood events. The CBA showed an economic internal rate of return (EIRR) of 21.7 percent in Lomé and 14.5 percent in Kara, both of which surpass the recommended threshold of 6 percent by the World Bank. A sensitivity analysis showed that the results are robust to two more rigorous assumptions: a) 10 percent decrease in traffic; and b) 10 percent increase in investment cost, which yielded EIRRs of 18.6 percent in Lomé and 12 percent in Kara, respectively. The reason that the EIRR is higher in Lomé than in Kara is mostly due to the much higher population density and larger volume of traffic, which generated more user benefits. Given that Dapaong is a city of slightly smaller size and lower density than Kara, it is expected that the EIRR of similar road and drainage investments in Dapaong would be slightly lower than that in Kara but still much higher than the threshold of 6 percent. The investments were therefore economically justified. This is also confirmed by the economic and financial analysis result of the preceding project, PURISE, which yielded an overall EIRR of 16 percent¹².

56. **Rationale for public sector provision.** All the proposed activities of the project are within the public domain, to provide or improve public services to the underserved communities and households. Interventions in low-income neighborhoods require the involvement of both the Central Government and the city administrations. Due to weak revenue mobilization, the necessary resources to finance such interventions are not available at the city level, and therefore Central Government support is required to provide major financing support for critical investments to meet the financial and investment needs.

57. **Value added of World Bank's support.** The World Bank has extensive experience with financing and implementing urban projects in Africa, in contexts similar to that of this project. The proposed project deals with the rehabilitation of infrastructure in underserved settlements and urban planning, development, and management. The proposed project builds on key achievements and lessons learned from PURISE and is further coordinated with other ongoing and planned World Bank-supported activities. With a phased approach, the World Bank's support under this project combines immediate financing of prioritized infrastructure investments with capacity building and technical assistance on urban planning and management. The investments will complement other activities financed by the Government and other donors involved in the urban sector, such as the EU, GIZ, AFD, and AfDB, while the technical assistance will lay the ground for leveraging more resources and investments from other development partners for years to come. In sum, the World Bank has the required experience to link financing for provision of basic services with institutional strengthening for enhanced development outcomes and higher overall efficiency.

¹² World Bank (2017). Implementation Completion and Results Report of PURISE. Report No. ICR3919.



B. Technical

58. **The design of the project is straightforward and its implementation does not entail foreseeable technical difficulties.** All investments will be of standard design and adaptation corresponding to local conditions and whenever possible will make use of labor-intensive methods to promote the employment of local people. By using labor-intensive road construction techniques (interlocking pavement blocks on sand-covered base), the roads to be rehabilitated will require minimal repair during the first years, provided that regular maintenance is carried out.

59. **The project has identified the priority investment program in three cities for first-year implementation.** All required safeguards documents for these investments have been already disclosed in the country and on the World Bank website. The technical studies are being prepared and the tender documents will be launched by August 2018 so that the works contracts will be signed as soon as the project goes into effect. With these prioritized investments, the project will be able to show visible outputs and results early in implementation. This will also raise public awareness of the project investments among local communities and residents so as to better engage them in the subsequent activities under the project. While the priority investment program is being implemented, the LDPs and DUPs will be developed to guide follow-on investment in the next few years of the project. Under this circumstance, the project is designed in a way to ensure timely and smooth disbursement in sequence.

C. Financial Management

60. **In line with the World Bank Policy and Directive on Investment Project Financing (IPF) which describe the overall FM World Bank policies and procedures, an assessment was conducted on the FM arrangements for the project.** This new project will be implemented by the SP-PIDU under the oversight of a Steering Committee chaired by the MUHCV. The SP-PIDU will be responsible for coordinating the day-to-day implementation of the project, including fiduciary and organizational aspects and M&E. The FM assessment conducted in December 2017 to ensure that the ministry has the minimum requirements to manage the project funds revealed some weaknesses. These include (a) lack of familiarity with IDA procedures for reporting, disbursement arrangements, and auditing; (b) lack of qualified FM staff; and (c) lack of FM tools: accounting software, manuals of accounting procedures and FM.

61. The FM assessment was carried out in accordance with the FM Manual for World Bank Investment Project Financing Operations that became effective on March 1, 2010, but was issued (retrofitted) on February 10, 2017. The conclusion of the assessment is that the following actions must be implemented to enable the SP-PIDU to take on the new project: (a) build an FM team within the SP-PIDU which will be staffed with a short-term, experienced, and qualified FM expert to be recruited on a competitive basis to assist the SP-PIDU's FM team to familiarize itself with the World Bank's FM procedures; a civil servant assigned as the project's FM Specialist recruited based on standards acceptable to the World Bank, an Accountant, and an Internal Auditor under terms of reference acceptable to IDA; (b) establish a credible and effective Internal Audit function; (c) develop a comprehensive Administrative, Accounting, and Financial Manual of Procedures, as part of the PIM in form and substance acceptable to the World Bank; (d) purchase a multiproject and multisite financial and accounting management software in a manner satisfactory to the World Bank; (e) recruit an independent External Auditor in compliance with Terms of Reference acceptable to IDA, and (f) roll out a training plan which includes, among others, training on IDA's disbursement procedures and financial reporting arrangements.



62. **The overall FM risk is rated Substantial**, taking into account the country context, the multiplicity of actors and beneficiaries who are located in remote and dispersed areas around the country combined with the nature of activities supported by the project and the World Bank's minimum requirements under Bank Policy and Directive – IPF which describe the overall FM World Bank policies and procedures. The proposed risk mitigation measures will strengthen the internal control environment and maintain the continuous timely availability and reliability of information produced by the SP-PIDU and an adequate segregation of duties. These mitigation measures have been incorporated into the design of the project FM arrangements. It is considered that the FM will satisfy the World Bank's minimum requirements under Bank Policy IPF once the proposed mitigation measures are met. Detailed FM arrangements are provided in annex 2.

D. Procurement

63. The Borrower will carry out procurement under the proposed project in accordance with the World Bank's 'Procurement Regulations for IPF Borrowers' (Procurement Regulations) dated July 2016, and revised in November 2017 under the 'New Procurement Framework' and the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated July 1, 2016, and other provisions stipulated in the Financing Agreement.

64. As part of the preparation of the project, the Borrower (with the technical assistance from the World Bank) has prepared a Project Procurement Strategy for Development (PPSD), which describes how procurement activities will support project operations for the achievement of PDOs and deliver value for money. The procurement strategy is linked to the project implementation strategy ensuring proper sequencing of the activities. It also considers institutional arrangements for procurement, roles and responsibilities, thresholds, procurement methods, prior review, and the requirements for carrying out procurement. The PPSD also includes a detailed assessment and description of Government capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework.

65. **The residual procurement risk for this project is rated Substantial**, after the implementation of the institutional arrangement described in annex 2, where a detailed procurement description and institutional arrangements can also be found.

E. Social (including Safeguards)

66. **Socioeconomic benefits and poverty reduction.** The proposed project is expected to deliver significant social benefits by improving the living conditions of low-income communities. The project will contribute to reducing urban poverty by (a) reallocating public funds to more direct and targeted interventions for the poor, (b) prioritizing urban infrastructure and services that are key to improving living and health conditions of the poor, and (c) improving the involvement of community-based organizations and the private sector in the execution of targeted operations. By covering seven cities, this project will also reduce the gap in service delivery between the capital city and other secondary cities. The project will help generate temporary employment opportunities in labor-intensive public works and support local economic development in these areas, which will benefit the local residents in the selected poor neighborhoods.



67. **Gender.** Women and girls in Togo face gender barriers in accessing employment and other opportunities due to cultural and social reasons. Recent analysis showed that Togolese men are 24 percent more likely to be in a paid job than women, and that the share of female full-time worker was only 25 percent in Togolese firms. When employed, women also earn about 30 percent less than men on average, even controlling for experience, education, ability, and location.¹³ Given such gender disparities in economic and social conditions among the Togolese population, specific actions for gender mainstreaming are considered in the project design and reflected in the project results framework. First, when selecting investments on urban roads, prioritization will be given to those that can improve the communities' access, especially for women and youth, to frequently-visited socioeconomic facilities, such as health facilities, markets, administrative services, etc. As women are dominant as small traders in markets, improving their access to these facilities will facilitate their participation in economic activities and ultimately improve their income status. Second, all infrastructure investments under the project, such as water points and drainage systems, will be designed in a participatory manner, especially involving consultation with women groups, to understand their special needs and to ensure their ease of access to these services. The involvement and participation of women and youths will also be sought during the elaboration or updating of the LDPs and DUPs, relating to the development visions of the cities, and the selection and implementation of prioritized investments. Gender-sensitive participatory approaches and methods (including local appropriated tools and skills, such as women focus group discussions, anonymous inputs, in-house interviews, etc.) will be applied to ensure a safe space for opinions and engagement. Third, gender-disaggregated indicators were built into the results framework of the project. The Borrower is required to report periodically on project outputs and outcomes, with data available on project beneficiaries by gender. Lastly, to promote employment for women and youth, the labor-intensive works financed by the project will be conducted to benefit unemployed young men and women with equal opportunities, not only to provide them with temporary jobs and additional income, but also job training to enhance their competencies for long-term employment.

68. **Labor influx mitigation, child protection, and prevention of gender based violence (GBV).** All the civil works financed under this project will aim to involve primarily residents, especially youth, to help promote employment and reduce the influx of external labor. When it is necessary, for technical or financial reasons to use contractors and workers from outside of the community to work on infrastructure subprojects, provisions to minimize or mitigate the negative impacts of the influx of labor work on the community will be added in the risks management plans. These provisions must include the (a) assessment of labor influx risks during the process of conducting Environmental and Social Impact Assessments (ESIAs); (b) development of the Labor Flow Management Plans; (c) requirement to introduce clauses for the management of workers, protection against child labor, prevention of GBV, and so on in all civil works contracts of companies and subcontractors; (d) enhancement of capacities of the Borrower, contractors, workers, and neighboring communities on security and health issues, GBV, and so on; (e) establishment of an accessible and accountable Grievance Redress Mechanism (GRM) system to ensure that any incidents related to labor influx and GBV will be handled effectively with sufficient social sensitivity and within reasonable time frames.

69. **Community participation and citizen engagement.** Strong community participation ensures buy-in and demand; local government engagement ensures institutionalization of the process so that investments can be made for the most-needed infrastructure and services with good quality of works. The

¹³ World Bank. 2016. Togo Strategic Country Diagnostics.



preparation of the feasibility studies and safeguards instruments, were carried out in consultation with the Government, city administrations, and representatives of civil society. All mayors of the participating cities participated in the preparation of the project. Project investments and implementation will be demand-driven and the communities will remain throughout and after completion of the project. The project will operate in close collaboration with the communities, in particular, women's groups and youth organized along common economic/employment interests. Citizen engagement and beneficiary feedback will be monitored through agreed indicators in the results framework.

70. **Social safeguards.** Although the overall impacts of the project implementation will be positive in terms of improving the living conditions of the local communities, the realization of the rehabilitation and infrastructure construction of subprojects, even on a small scale, would lead to involuntary reinstatement operations due to losses of property, losses and disruption of incomes sources, and limitation of access to resources and means of production. Therefore, social safeguards policy OP/BP 4.12 on Involuntary Resettlement is triggered. An RPF outlining provisions to minimize and mitigate risks and negative impacts has been prepared by the Government, consulted upon with the potentially affected persons and other stakeholders, and reviewed and cleared by the World Bank. It will serve as a guide to develop resettlement plans for investments whose sites are not yet known; for priority investments whose sites are already known in Lomé, Kara, and Dapaong, three RAPs have been prepared respectively by the Government, consulted upon in three cities, and reviewed and cleared by the World Bank. Both the RPF and the three RAPs were disclosed in the country and on the World Bank website on May 16, 2018.

71. **A GRM under the project will be developed and put in place by the Government.** This will allow beneficiary communities, stakeholders, and interested parties, to have a listening and treatment platform for their complaints and reclamations relating to the implementation of project activities. The mechanism must be operational and very close to the communities and mainly the people affected by the project activities and will be widely disseminated. Any concern regarding the project can be brought up to the SP-PIDU directly or through the LSCs, with the aim of finding a fair solution.

F. Environment (including Safeguards)

72. **The project will be implemented at the city and local neighborhood levels with minimum adverse environmental impacts.** City-wide investments include public works for improving connectivity and access to basic services that will cause temporary and site-specific impacts. At the local neighborhood level, most of the investments will be of simple design and technology, some using labor-intensive methods accessible to local contractors and small and medium enterprises (SMEs).

73. **Environmental Safeguards. The project has been rated category 'B' and triggers two environmental safeguards policies: OP/BP 4.01 on Environmental Assessment and OP 4.11 on Physical Cultural Resources.** To mitigate the risks, during project preparation, an ESMF has been prepared, specifying how to identify and mitigate any adverse environmental impacts from project activities. The document was reviewed by the World Bank team, consulted upon, and disclosed in-country on April 25, 2018, and published on the World Bank's website on April 27, 2018. The ESMF outlines an environmental and social screening process for the component's activities. It also includes Guidelines for an Environmental and Social Impact Assessment (ESIA), Environmental Guidelines for Contractors as well as Subcontractors, and a summary of the World Bank's safeguard policies. It also contains chapters to take into account matters related to physical cultural resources. That means guidance and guidelines have



been included in the ESMF to this end. For those investments whose sites are known, namely priority investments in Lome, Kara and Dapaong, three ESIA's were developed, reviewed, consulted upon and disclosed in Togo on May 2, 2018 and, thereafter on the World Bank's website on May 3, 2018.

74. **Environmental/Occupational health and safety.** Safeguards documents include guidelines on environmental/occupational health and safety (EHS/OHS) and clearly mentions that the company's Environmental and Social Management Plan (Works-ESMP) must be approved by the SP-PIDU and their partners before the commencement of civil works. Moreover, the bidding documents and the contracts for main contractors as well as the subcontractors must also include sections related to EHS/OHS.

75. With respect to GBV issues, the project will establish a code of conduct for both contractors and sub-contractors' employees. To that end, ESMPs and workers contracts will include measures for managing such potential issues on the local communities. In addition to that, specific awareness campaigns will also be conducted by the contractors and sub-contractors towards their employees at the beginning and along the activities investment phase with the aim of minimizing the occurrence of the issue.

76. **Implementation of safeguards policies.** To ensure that the safeguard instruments prepared in line with policies triggered by the project are implemented properly, the SP-PIDU will hire an Environmental Safeguard Specialist and a Social Safeguards Specialist. The Environmental Safeguards Specialist must have additional experience in EHS/OHS, and the social safeguards specialist in GBV, social inclusion, and any labor-related risk. Both specialists will be fully in charge of all aspects of environmental and social safeguards and will regularly monitor all safeguard requirements. More specifically, the two specialists, the implementing agencies, and the other stakeholders will ensure that children are not employed in civil works as labor force. Meanwhile, the World Bank's implementing support missions will also include environmental and social safeguards specialists to ensure that all safeguard issues are addressed properly and on time.

G. Other Safeguard Policies

77. **The project may trigger OP/BP 4.11 - Physical Cultural Resources.** The works will take place in inhabited areas and involve excavations and demolitions. There is a possibility of chance finds of physical cultural resources. The ESMF and ESIA's include guidance and procedures for physical cultural resources management to mitigate potential adverse impacts. No separate safeguards instrument is needed.

H. World Bank Grievance Redress

78. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit



<http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

Project Development Objective(s)

The project development objective (PDO) is to improve access to urban infrastructure and basic services in selected cities and strengthen the institutional capacity of participating cities in urban planning and management.

| PDO Indicators by Objectives / Outcomes | DLI | CRI | Unit of Measure | Baseline | End Target |
|--|-----|-----|-----------------|----------|------------|
| Improve access to urban infrastructure and basic services in selected cities | | | | | |
| People provided with improved urban living conditions | | Yes | Number | 0.00 | 100,000.00 |
| People provided with improved urban living conditions - Female (RMS requirement) | | Yes | Number | 0.00 | 50,000.00 |
| Strengthen the institutional capacity of participating cities in urban planning and management | | | | | |
| Number of cities with improved urban planning and management, as measured by the completion and update of Local Development Plans (LDPs) and Detailed Urban Plans (DUPs) with prioritized investments. | | | Number | 0.00 | 7.00 |



| Intermediate Results Indicators by Components | DLI | CRI | Unit of Measure | Baseline | End Target |
|---|------------|------------|------------------------|-----------------|-------------------|
| Component 1: Urban Infrastructure and Basic Services | | | | | |
| Roads rehabilitated | | Yes | Kilometers | 0.00 | 6.50 |
| People provided with access to improved water sources | | Yes | Number | 0.00 | 10,000.00 |
| People provided with access to improved water sources - Female (RMS requirement) | | Yes | Number | 0.00 | 5,000.00 |
| People provided with access to improved sanitation services | | Yes | Number | 0.00 | 10,000.00 |
| People provided with access to improved sanitation services - Female (RMS requirement) | | Yes | Number | 0.00 | 5,000.00 |
| People with reduced exposure to flood risks due to improvement in urban drainage system | | | Number | 0.00 | 15,000.00 |
| People with reduced exposure to flood risks due to improvement in urban drainage system - Female | | | Number | 0.00 | 7,500.00 |
| Temporary job opportunities (in person-days) created by the investments financed under the project | | | Number | 0.00 | 500,000.00 |
| Temporary job opportunities (in person-days) created by the investments financed under the project -- for women | | | Number | 0.00 | 25,000.00 |
| Component 2: Institutional Strengthening and Technical Assistance | | | | | |
| Number of cities whose key staff are trained on municipal planning, management, and finance under the project | | | Number | 0.00 | 7.00 |
| Component 3: Management, Coordination, Monitoring and Evaluation | | | | | |
| Percentage of investment activities under the project that have | | | Percentage | 0.00 | 95.00 |



| citizen engagement mechanisms, with participation of women in public consultations | | | | | | |
|--|---|--|--|--|--|--|
| Monitoring & Evaluation Plan: PDO Indicators | | | | | | |
| Indicator Name | People provided with improved urban living conditions | | | | | |
| Definition/Description | | | | | | |
| Frequency | Annual | | | | | |
| Data Source | Project reports, surveys, and/or evaluation studies Improved urban living conditions are measured by: a) reduced exposure to flood risks due to improvement in drainage system; b) improved mobility due to road improvement (for households within 500 meters from each side of the roads); and/or c) reduced health risks due to improvement in the sanitation condition of the community. | | | | | |
| Methodology for Data Collection | Consultants reporting, field surveys | | | | | |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants | | | | | |



| | |
|---|---|
| Indicator Name | People provided with improved urban living conditions - Female (RMS requirement) |
| Definition/Description | |
| Frequency | Annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Consultants reporting, field surveys |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |
| Indicator Name | Number of cities with improved urban planning and management, as measured by the completion and update of Local Development Plans (LDPs) and Detailed Urban Plans (DUPs) with prioritized investments. |
| Definition/Description | This indicator measures the number of cities who have received financial and technical support from the project to development and/or update their LDPs and DUPs to guide urban development and service delivery in their cities. |
| Frequency | Annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Consultants reporting, interviews with city officials |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



Monitoring & Evaluation Plan: Intermediate Results Indicators

| | |
|---|---|
| Indicator Name | Roads rehabilitated |
| Definition/Description | |
| Frequency | Semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |
| Indicator Name | People provided with access to improved water sources |
| Definition/Description | |
| Frequency | Semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



| | |
|---|--|
| Indicator Name | People provided with access to improved water sources - Female (RMS requirement) |
| Definition/Description | |
| Frequency | Semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |
| Indicator Name | People provided with access to improved sanitation services |
| Definition/Description | |
| Frequency | Semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



| | |
|---|---|
| Indicator Name | People provided with access to improved sanitation services - Female (RMS requirement) |
| Definition/Description | |
| Frequency | Semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |
| Indicator Name | People with reduced exposure to flood risks due to improvement in urban drainage system |
| Definition/Description | This indicator measures the number of residents who are beneficiaries of the investments in urban drainage system financed under the project. Their exposure to flood risks are expected to be reduced as a result of better stormwater management through improved drainage. |
| Frequency | semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



| | |
|---|--|
| Indicator Name | People with reduced exposure to flood risks due to improvement in urban drainage system - Female |
| Definition/Description | This indicator measures the number of female beneficiaries of the investments in urban drainage system financed under the project. Their exposure to flood risks are expected to be reduced as a result of better stormwater management through improved drainage. |
| Frequency | semi-annual |
| Data Source | Project reports, surveys, and/or evaluation studies |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports, field visits |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |
| Indicator Name | Temporary job opportunities (in person-days) created by the investments financed under the project |
| Definition/Description | This indicator measures the positive impacts of the project investments on local population in generating temporary employment and income, measured by the number of person-days created for the local workers to work on infrastructure investments financed under the project, including those who are employed by the contractors and consultants working on the project. |
| Frequency | Annual |
| Data Source | Project reports, consultant reports, contractor rosters |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports |
| Responsibility for Data Collection | Implementation agency, consultants, contractors |



| | |
|---|---|
| Indicator Name | Temporary job opportunities (in person-days) created by the investments financed under the project -- for women |
| Definition/Description | This indicator measures the positive impacts of the project investments on women in generating temporary employment and income, measured by the number of person-days created for women to work on infrastructure investments financed under the project, including those who are employed by the contractors and consultants working on the project. |
| Frequency | Annual |
| Data Source | Project reports, consultant reports, contractor rosters |
| Methodology for Data Collection | Review of contractors' and supervision consultants' reports |
| Responsibility for Data Collection | Implementation agency, consultants, contractors |
| Indicator Name | Number of cities whose key staff are trained on municipal planning, management, and finance under the project |
| Definition/Description | This indicator measures the outcome of the capacity building and institutional strengthening activities financed by the project, benefiting the seven participating cities. |
| Frequency | Annual |
| Data Source | Project reports, feedback from the training consultants |
| Methodology for Data Collection | Review of consultants' report and records of training events; interviews with city officials |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



| | |
|---|---|
| Indicator Name | Percentage of investment activities under the project that have citizen engagement mechanisms, with participation of women in public consultations |
| Definition/Description | This indicator measures the level of citizen engagement, especially the inclusion of women, in the planning, budgeting, and implementation of investment activities under the project. Proper citizen engagement mechanisms include but not limited to project education and communications, public consultations and public hearings, focus group discussions, as well as an effective grievance redress system. |
| Frequency | Annual |
| Data Source | Project reports, surveys and/or evaluation studies |
| Methodology for Data Collection | Desk review, field visits and/or interviews with communities |
| Responsibility for Data Collection | Implementation agency; third-party M&E consultants |



ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY: Togo

Infrastructure and Urban Development Project

1. The proposed project has four components: (1) Urban Infrastructure and Basic Services; (2) Institutional Strengthening and Technical Assistance; (3) Management, Coordination, Monitoring and Evaluation; and (4) Contingent Emergency Response.

Component 1: Urban Infrastructure and Basic Services (US\$23 million equivalent¹⁴)

2. The objective of this component is to increase access to urban infrastructure and basic services in underserved neighborhoods.

3. **Geographic coverage and funding split.** This component will finance investments to rehabilitate, upgrade, or construct urban infrastructure facilities in three project cities, namely, Lomé, Kara, and Dapaong. These investments will be identified in coordination with those being implemented by the Government and other donors to strengthen the cities' urban growth. The following allocation of funds among the three cities was discussed and agreed with the Borrower during project preparation: US\$5 million to Lomé for completing the priority urban infrastructure investments identified but not realized in PURISE; the remaining US\$18 million will be split between Kara and Dapaong. First, to ensure a minimum amount of investment in each city to have a meaningful impact, US\$4 million each will be allocated to both cities; the remaining US\$10 million will be split into US\$6.2 million and US\$3.8 million among the two cities proportionate to their population, that is, Kara will receive US\$10.2 million and Dapaong, US\$7.8 million. Average investment per capita will be approximately US\$11 in all cities, while the value will be much higher in Kara and Dapaong than in Lomé, given that this project will be the first World Bank-funded urban infrastructure project with significant investments.

Table 1.1. Geographic Funding Split of Component 1

| City | Population of 2016 | Base Allocation (US\$, millions) | Additional Allocation Proportionate to Population (US\$, millions) | Total Allocation (US\$, millions) | Allocation per capita (US\$) |
|--------------|--------------------|----------------------------------|--|-----------------------------------|------------------------------|
| Lomé | 1,859,800 | 5 | 0 | 5 | 3 |
| Kara | 106,500 | 4 | 6.2 | 10.2 | 96 |
| Dapaong | 64,800 | 4 | 3.8 | 7.8 | 120 |
| Total | 2,031,100 | 13 | 10 | 23 | 11 |

4. **Sectoral coverage and investments.** Under this component, investments will likely cover roads, drainage, water provision, markets, and other basic infrastructure services. Besides the pre-identified priority investments, the infrastructure investments in each city will be determined by the investment

¹⁴ This includes US\$1.25 million for PPA.



priorities indicated in the LDPs prepared by each municipality with the support of GIZ.¹⁵ These plans have been prepared using a participatory approach, with public hearings and rigorous consultation with communities. To be eligible, a subproject investment must reasonably fulfill a number of eligibility criteria, which will be included and disclosed in the PIM, including social, environmental, and social aspects.

5. Based on the sequencing of project activities, tentative investments under this component are divided into two subcomponents:

6. **Subcomponent 1.1: Priority investments (US\$13.9 million equivalent).** A priority investment program was developed during the project preparation phase, in collaboration with the Borrower and the municipalities of the three selected cities. The identification and selection of these priority investments were largely based on the local priorities of each city according to their own infrastructure plans and/or development agenda, while taking into consideration the number of beneficiaries to be reached, feasibility and financing amount, as well as readiness for implementation. With these prioritized investments, the project will be able to show visible outputs and results from the first year of implementation, hence bringing about tangible improvement to the living conditions of the residents. Moreover, this will also raise public awareness of the project investments among local communities and residents, so as to better engage them in the following activities under the project through a participatory approach.

Table 1.2. Summary of Proposed Prioritized Investments in Lomé, Kara, and Dapaong

| City | Sector | Activity | Quantity/length |
|---------|----------------|---|---|
| Lomé | Road, Drainage | Rehabilitation of Street 267 AGP with paving, drainage, sidewalks, signing, and street lighting in the Agbalépédogan District | A total length of around 1,200 meters, with a width of around 28 meters |
| Lomé | Road, Drainage | Rehabilitation of Street 126 AGP with paving, drainage, sidewalks, signing, and street lighting in the Agbalépédogan District | A total length of around 600 meters, with a width of around 28 meters |
| Kara | Road, Drainage | The rehabilitation and reconstruction of a road cutting through four communities of Kakou, Andjaoudè, Tiwimdè, and Wéladè in Kara | A total length of about 3.16 km, with a width between 14 to 28 meters in four different sections |
| Dapaong | Road, Drainage | Rehabilitation, extension, paving, signaling, and landscaping of a section of National Road RN24, between the intersection in front of the Togolese Revenue Agency and the intersection where the Tingban-Gabong junction connects to RN1 | A total length of 760 meters, with a width of at least 15 meters |
| Dapaong | Drainage | Rehabilitation and construction of primary roadside drainage/gutters and supplementary cross-drain culverts with a total length of about 110 m to reduce flood risks | Roadside drainage rehabilitation: 1,243 meters; new drainage construction: 396 meters; rehabilitation of cross-drain culverts: 110 meters |

¹⁵ These plans are titled *Plans de développement communal*, abbreviated as PDC, in French. The GIZ has been supporting various cities in Togo under its project named *Programme Décentralisation et Gouvernance Locale (ProDeGoL)* to prepare these plans since 2016, including all the six secondary cities participating in this project, that is, Sokodé, Kpalimé, Tsévié, Atakpamé, Kara, and Dapaong.



- (a) **Priority investments in Lomé (US\$5 million equivalent).** For the city of Lomé, the project will complete some remaining works of PURISE. It includes the works of: (i) rehabilitation of Street 267 AGP with paving, drainage, sidewalks, signing, and street lighting in the Agbalépédogan District, and (ii) rehabilitation of Street 126 AGP with paving, drainage, sidewalks, signing, and street lighting in the Agbalépédogan District.
- (b) **Priority investments in Kara (US\$6.4 million equivalent).** The infrastructure investments in Kara were selected based on a technical study evaluating the list of investments proposed by the City of Kara, which included (i) rehabilitation of selected urban roads, and (ii) improvement of the drainage system on selected urban roads. One particular road project has already been advanced with a technical analysis and feasibility study. The proposed road runs through the three communities of Kakou, Andjaoudè, Tiwimdè, and Wéladè in Kara. It connects to National Road No. 6 at grade from the SOS Children's Center to the Regional Central Hospital (*Centre Hospitalier Regional, CHR*) in Tiwimdè, passing by Kara High School II; and it connects to the National Road No.1 at grade, from the Matata building to the Chaminade College. The road constitutes a shortcut which diverts most of the traffic exchanged between the National Road No. 16 and the National Road No. 1 away from the city center. Like many urban roads in Kara, this road is in poor condition, which not only negatively affects intra-urban mobility, thus affecting the economic function of the regional capital but also has an adverse impact on the quality of life of the population at the city fringes. Therefore, there is an urgency to rehabilitate this road so that it can play its role in mobility and urban development effectively. With a total length of 3.16 km, it will be implemented under the project in four sections, as follows:
- Section 1 is the part from the Chaminade College to the Matata building, with a length of 438 m and a right-of-way (ROW) width of 16m;
 - Section 2 corresponds to the road between the Matata building on National Road No. 1 and the CHR in Tiwimdè, with a length of 1,037m and a ROW width of 14m;
 - Section 3 is the Tiwimdè CHR bypass loop till the end of Kara II High School, with a length of 309m and a variable ROW between 24 and 28m along the road;
 - Section 4 is the dirt road connecting Kara II High School to SOS Children's Center of Kara at National Road No. 16 (RN16), with a length of 1,369m and a variable ROW between 20m and 28m.
- (c) **Priority investments in Dapaong (US\$2.5 million equivalent).** The prioritized infrastructure investments in Dapaong located in the Konkouaré District include: (i) the rehabilitation, extension, paving, signaling, and landscaping of a section of National Road RN24, between the intersection in front of the Togolese Revenue Agency and the intersection where the Tingban-Gabong junction connects to RN1, with a total length of 760m; (ii) rehabilitation and construction of 1,639m length of primary roadside drainage and supplementary cross-drain culverts with a total length of about 110m along National Road RN1 to reduce the flooding risks.



7. **Subcomponent 1.2: Other urban infrastructure and services (US\$9.1 million equivalent).** This subcomponent aims to finance, among others, the following potential activities: (a) urban roads and public space improvements, including street lighting and landscaping; (b) water supply points/systems; (c) drainage and storm water management systems; (d) small social infrastructure such as school and health facilities; and (e) small economic infrastructure such as markets and merchant stalls. The activities to be financed will be selected in a participatory manner at the local level on the basis of the priorities defined in the LDPs and DUPs which constitute the platforms for intervention dialogue for the local, regional, and national stakeholders, as well as other development partners. Selection criteria will include feasibility and sustainability, impacts on beneficiaries, value-added of World Bank assistance, and complementarity with other donors.

8. **Sequencing of activities.** For the first year, the focus will be on implementing the activities of the priority investment program and building a portfolio of tentative investments in Subcomponent 1.2, on which prior studies required for the preparation of tendering documents will be conducted. These include technical and feasibility studies, detailed design of civil works, and the needed environmental and social safeguards documents, all of which will have been finalized within the first 18 months of project effectiveness, so that construction of civil works can commence subsequently in accordance with the project implementation schedule and the Procurement Plan. It is expected that the bidding documents for the priority investments in Lomé and Kara (with a total contract value of approximately 30 percent of the project cost) will be ready by the end of August 2018, therefore the actual works could be launched at project effectiveness.

9. **Climate co-benefits.** Given the frequent disastrous events in the past decade, climate risk adaptation measures to reduce the vulnerability of the cities in case of natural disasters and mitigation measures to reduce GHG emissions and improve urban management toward sustainable growth are given serious consideration and included as key objectives for all investments in all three cities. The results and outcomes of PURISE and other similar urban projects show that rehabilitation of drainage systems will significantly reduce the vulnerability of urban households in the case of flooding. In addition, research shows that the improvement of road conditions (from unpaved roads to paved roads) will also significantly improve the level of service on the road, hence reducing GHG emission from cars on the road on average. More important, the design of all proposed investments in urban roads, public spaces, and, social and economic infrastructure under this project will incorporate measures to make them resilient to climate risks. Energy efficiency equipment and devices using renewable energy will also be applied whenever possible and feasible. Therefore, the entire US\$23 million investments under Component 1 should yield significant climate co-benefits from both adaptation and mitigation effects.

Component 2: Institutional Strengthening and Technical Assistance (US\$4.5 million equivalent)

10. **This component will provide technical support to strengthen the institutional capacity of the seven participating cities,** namely, the three cities financed under Component 1 as well as Kpalimé, Tsévié, Atakpamé, and Sokodé. Activities will focus on the areas of urban planning, asset management and investment planning, municipal finance, and citizen engagement. During preparation, the World Bank team and the GoT have held multiple consultations and meetings with other donors and development partners to coordinate efforts on capacity building in municipalities. As a result, the project has carefully selected priority areas and activities to complement other donors' projects to create maximum synergy and to avoid duplication.



11. **During project preparation, the team identified the following six areas as the focus of this component:**

- (a) Developing legislative and/or regulatory tools for guiding urban development in cities of Togo, such as a Code of Urban Planning and Construction;
- (b) Updating the planning instruments of the participating cities in a participatory and inclusive manner, including the LDPs and the DUPs, special planning regulations, priority investment programs, and solid waste management strategies, wherever nonexistent;
- (c) Providing technical assistance on preparing feasibility studies and tender documents, trainings to key staff on O&M of civil works, environmental and social safeguards measures, and municipal finance topics such as budgeting, reporting, auditing, and Own-Source Revenue generation and collection;
- (d) Training and capacity building of Government officials, community groups, and civil society organizations on urban planning and management, in particular on the identification, preparation, planning, and programming of urban infrastructure investments and services;
- (e) Raising awareness on citizen engagement and community participation in urban management and planning process, and to encourage residents to take ownership of the project deliverables (for example, civil works and services) to ensure sustainability in the long run; and
- (f) Providing other on-demand or just-in-time capacity-building activities, as requested by the MUHCV and the participating cities. The actual formats and contents of these capacity-building activities will be determined based on the specific needs of each of the seven municipalities.

12. These six areas of activities can be grouped into three subcomponents.

13. **Subcomponent 2.1: Technical assistance on urban planning and technical studies of investments (US\$2.7 million equivalent).** This subcomponent will provide technical support to the seven cities to (a) develop (where LDP is nonexistent), update (where LDP is existent but expired or toward expiration), and elaborate their LDPs, and develop/update DUPs in accordance with the LDPs to prioritize the urban infrastructure investments and to manage spatial growth in the future; (b) prepare technical studies and bidding documents of proposed investments to be financed later, when additional financing is available or by other donors when deemed relevant; (c) develop legislative and/or regulatory tools for guiding urban development in the cities of Togo, such as a Code of Urban Planning and Construction; (d) provide support on land management; and (e) take stock of capital assets and develop or update asset management plans. Awareness on the global and local trends of increasing climate risks as well as the importance of urban resilience will be raised throughout the planning process. Concrete strategies and practical solutions to promote sustainable development, such as mixed-use and compact land development and non-motorized transport planning, will be included in these LDPs and DUPs to guide urban development in both the short and long run. To ensure that the DUPs will be operationalized and implemented, technical studies on some of the priority investment programs coming out of the DUPs will also be



financed under this component. In addition, each DUP will be complemented by detailed land-use regulations to guide the development and investment.

Table 1.3. Summary of Planning Status and Needs in Participating Cities

| No. | City | Status of Current Master Plan ¹⁶ | Technical Assistance Needs on Planning |
|-----|----------|---|--|
| 1 | Tsévié | City master plan currently under revision | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 2 | Kpalimé | City master plan last revised in 2009 | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 3 | Atakpamé | City master plan last revised in 2001 | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 4 | Sokodé | City master plan last revised in 2001 | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 5 | Kara | City master plan last revised in 2007 | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 6 | Dapaong | City master plan last revised in 2002 | <ul style="list-style-type: none"> • Update of the city master plan • Development and implementation of detailed area plans based on the city master plan • Regularization of city subdivisions/districts |
| 7 | Lomé | Master Plan of Metropolitan Lomé currently under revision | <ul style="list-style-type: none"> • Regularization of city subdivisions • Elaboration and implementation of detailed urban plans |

14. **Subcomponent 2.2: Capacity building and institutional strengthening of municipalities (US\$1.3 million equivalent).** This subcomponent will implement a program of capacity-building activities in various formats, based on the needs and the findings of the financial and institutional assessment studies of each city. Activities will focus on the areas that are enclosed with the legal mandates of the municipalities to help them better carry out their functions. , notably on information management, capital investment, and municipal finance and operations. Tentative activities would include but not be limited to (a) training of city officials on municipal management and finance, including environmental and social safeguards, planning, budgeting, accounting, reporting, auditing, and M&E; (b) technical support on drafting standard procedures/manuals for FM in the municipalities; (c) technical support on the establishment and

¹⁶ The document is officially called *Schéma directeur d'aménagement et d'urbanisme* or SDAU.



enhancement of municipal information management systems; and (d) city-specific analysis and demand-driven just-in-time technical assistance on topics of each municipality's priority area.

15. Subcomponent 2.3: Community awareness and citizen engagement (US\$0.5 million equivalent).

This subcomponent will finance activities for raising awareness on citizen engagement and promoting community participation in urban management and planning process. The objective of these activities is mostly to encourage residents and community groups to take ownership of the project deliverables (for example, civil works and services) to ensure the sustainability of project investments in the long run.

Component 3: Management, Coordination, Monitoring and Evaluation (US\$2.5 million equivalent)

16. This component will finance the direct costs of the management and operation of this project to ensure smooth implementation of all project activities in accordance with the World Bank's policies and guidelines. It will support the Borrower in the areas of project coordination, supervision, FM, procurement, M&E, communication, audits, as well as preparation and supervision of implementation of the safeguards instruments, preparation of related surveys, including the provision of training, operating costs, goods, and services for the required purposes. Specific activities to be financed under this component will include the following:

- **Project management and coordination**, including the cost associated with project implementation, management and administration, staffing, trainings, furniture and office supplies, logistics, FM, procurement, and audits of project activities, as foreseen and included in the Procurement Plan; This will also include the cost of the update, implementation, and supervision of project safeguards documents and instruments, including but not limited to the ESIA's, ESMF, Environmental and Social Management Plans (ESMPs), RPF, RAPs, workers' safety training and labor influx management, youth protection and prevention of GBV, social and community engagement surveys, and so on, all of which may be conducted through the provision of training, operating costs, goods, and services for the required purposes;
- **Monitoring and evaluation of project activities**, including collection of baseline data and tracking, documenting, and reporting of project progress as opposed to project targets proposed in the results framework, and at least two evaluation studies at midterm and end of the project; and
- **Project communications, citizen engagement, and grievance redress**, including the development and implementation of a communication strategy to manage programs on information sharing, project education and participatory planning process of the project activities, as well as special mechanisms for social inclusiveness, that is, reaching out to disadvantaged groups such as women, youth, and the lowest income households in the citizen engagement process.

Component 4: Contingent Emergency Response (US\$0 million equivalent)

17. This CERC is included under the project in accordance with Bank Policy Investment Project Financing, paragraphs 12 and 13, for situations of urgent need of assistance, as a project-specific CERC.



Given the increasing climate risks in Togo, particularly the risks of flooding and drought, the Government may request the World Bank to reallocate project funds to support mitigation, response, recovery, and reconstruction. Therefore, it is advisable to have a contingent component to prepare for quick responses to emergencies. This will allow for rapid reallocation of project funds in the event of a natural or artificial crisis during the implementation of the project, to address eligible emergency needs under the conditions established in its Operations Manual. This component will have no funding allocation initially and will draw resources from the uncommitted funds in the project categories in the case of activation. If an IRM is established, this component will serve as an IRM CERC to allow the reallocation of uncommitted funds from the project portfolio to the IRM DA to address emergency response and recovery costs, if approved by the World Bank.

18. With all the investments planned as above, the project financing can be broken down by subcomponent as shown in the table below.

Table 1.4. Summary of Project Components and Cost Breakdown

| Component | Cost (US \$million) | IDA Financing (US \$million) |
|--|----------------------------|-------------------------------------|
| Component 1: Urban Infrastructure and Basic Services | 23.00 | 23.00 |
| Subcomponent 1.1: Priority investments | 13.90 | 13.90 |
| (a) Priority investments in Lome | 5.00 | 5.00 |
| (b) Priority investments in Kara | 6.40 | 6.40 |
| (c) Priority investments in Dapaong | 2.50 | 2.50 |
| Subcomponent 1.2: Other urban infrastructure and services | 9.10 | 9.10 |
| (a) Other urban infrastructure and services in Kara | 3.80 | 3.80 |
| (b) Other urban infrastructure and services in Dapaong | 5.30 | 5.30 |
| Component 2: Institutional Strengthening and Technical Assistance | 4.50 | 4.50 |
| Subcomponent 2.1: Technical assistance on urban planning and technical studies of investments | 2.70 | 2.70 |
| (a) Development/updates of LDPs and DUPs | 1.10 | 1.10 |
| (b) Preparing technical studies and bidding documents of proposed investments | 1.00 | 1.00 |
| (c) Developing legislative and/or regulatory tools, such as a Code of Urban Planning and Construction | 0.25 | 0.25 |
| (d) Land management support | 0.30 | 0.30 |
| (e) Taking stock of capital assets and developing or updating asset management plans | 0.05 | 0.05 |
| Subcomponent 2.2: Capacity building and institutional strengthening of municipalities | 1.30 | 1.30 |
| (a) Training of city officials on municipal management and finance, including environmental and social safeguards, planning, budgeting, accounting, reporting, auditing, and M&E, etc. | 0.30 | 0.30 |
| (b) Technical support on drafting standard procedures/manuals for FM in the municipalities | 0.10 | 0.10 |



| | | |
|--|--------------|--------------|
| (c) Technical support on the establishment and enhancement of municipal information management systems | 0.50 | 0.50 |
| (d) City-specific analysis and demand-driven just-in-time technical assistance on topics of each municipality's priority area | 0.40 | 0.40 |
| Subcomponent 2.3: Community awareness and citizen engagement | 0.50 | 0.50 |
| (a) Community communication and citizen engagement | 0.30 | 0.30 |
| (b) Strengthening of Neighborhood Development Committees established in each city and other local civil society organizations | 0.20 | 0.20 |
| Component 3: Management, Coordination, Monitoring and Evaluation | 2.50 | 2.50 |
| (a) Project management and coordination, including the cost associated with project implementation, management and administration, staffing, trainings, furniture and office supplies, missions, logistics, FM, etc. | 1.70 | 1.70 |
| (b) Monitoring and evaluation of project activities | 0.30 | 0.30 |
| (c) Project communications, citizen engagement, and grievance redress | 0.50 | 0.50 |
| Component 4: Contingent Emergency Response | 0.00 | 0.00 |
| Project Total | 30.00 | 30.00 |



ANNEX 2: IMPLEMENTATION ARRANGEMENTS

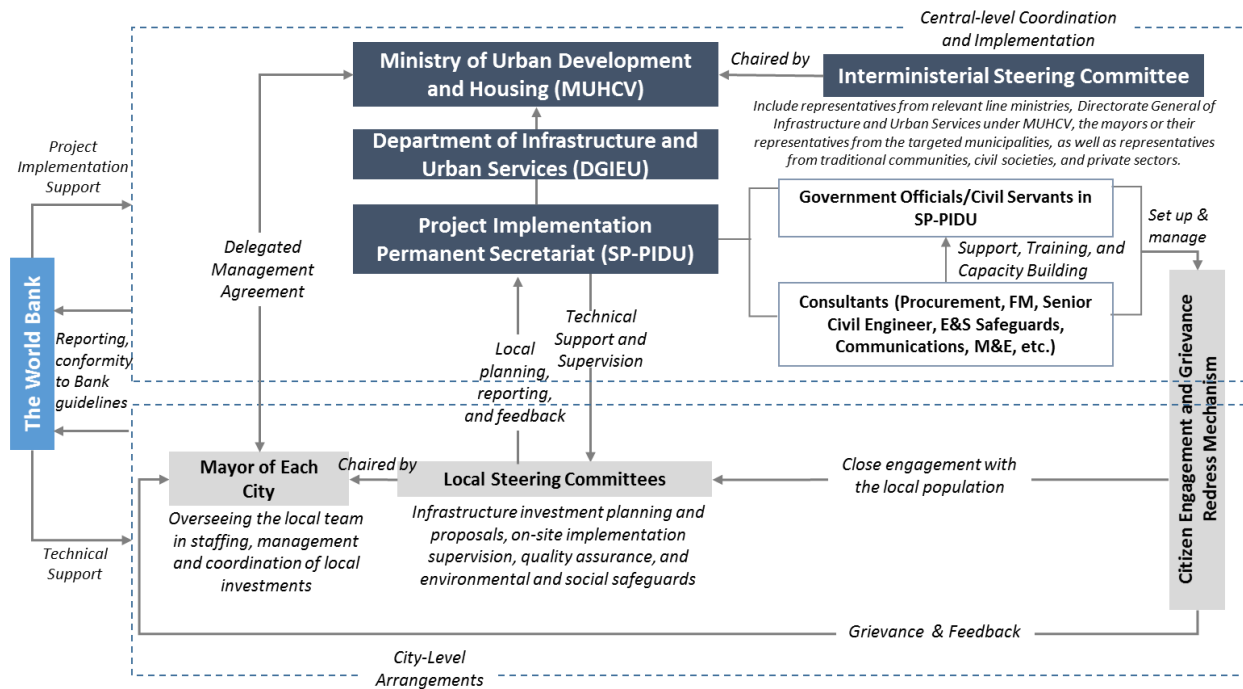
COUNTRY: Togo

Infrastructure and Urban Development Project

Project Institutional and Implementation Arrangements

1. The project implementation arrangements rely on two tiers of institutions, at central and local levels, as shown in figure 2.1. At the central level, the MUHCV will be the World Bank’s main counterpart responsible for this project and has established a Permanent Secretariat as the implementation unit of the project; an ISC chaired by the MUHCV and consisting of other related central ministries and key stakeholders has been formed for coordination and monitoring purposes. At the local level, each of the seven participating cities will have an LSC chaired by the mayor to facilitate and coordinate project implementation in their communities.

Figure 2.1. Structure of Proposed Institutional Arrangements for the Project



2. **Project Implementation Permanent Secretariat.** The SP-PIDU has recently been created within the MUHCV, hosted under the DGIEU to coordinate project preparation, implementation, and management tasks. The Director of Urban Infrastructure under the DGIEU functions as the Permanent Secretary of SP-PIDU. The MUHCV has previous experience in implementing infrastructure projects, such as PURISE, but its capacity still needs to be strengthened through trainings and the addition of consultants on fiduciary, safeguards, and technical aspects. For this project, the Government opts to have this project implemented by the relevant departments to ensure better ownership of the project and the sustainability of investments. The SP-PIDU will be responsible for managing the project with the central level, coordinating overall project implementation in various locations, ensuring the timely availability of fund



transfer, maintaining project accounts and producing financial reports, M&E program implementation and impact assessments, and reporting results to various stakeholders. It will consist of both civil servants and experienced consultants. The consultants will help build the capacity of SP-PIDU and will phase out from the project over time. Training and capacity-building tasks will be included in consultants' contracts. In particular, under the leadership of the Permanent Secretary, the SP-PIDU will include a Procurement Specialist (with extensive engineering, contract management, procurement, and communications knowledge), a Communications Officer, a Senior Civil Engineer, an FM Specialist, an Accountant, a Monitoring and Evaluation Specialist, an Environmental Safeguards Specialist, and a Social Safeguards Specialist. The FM Specialist and the Procurement Specialist have already been recruited and on board; the Senior Civil Engineer position has been advertised and a consultant has been identified, whose recruitment will be concluded soon. The Borrower is expected to complete the recruitment of the safeguards specialists within two months from the project effectiveness date. To reduce wage disparities between civil servants and consultants, all the civil servants within the SP-PIDU will receive an allowance from the budget of the national government, the amount of which will be determined jointly by the MUHCV and MEF.

3. **Interministerial Steering Committee.** An ISC has been established for project coordination and monitoring, chaired by the minister or his representative from the MUHCV and includes representatives from relevant line ministries (including the MEF; Ministry of Development and Planning; Ministry of Infrastructure and Transport; Ministry of Land, Decentralization and Local Governments; Ministry of Environment and Natural Resources; and Ministry of Water and Sanitation), Director of the DGIEU, the mayors or their representatives from the participating municipalities, as well as representatives from traditional communities, civil society, and the private sector. The ISC composition and its modality of operation have been specified in a recent Government order released on March 1, 2018.¹⁷ The functions of the ISC are focused on project oversight, including provision of overall project guidance, approval of annual work plans and budgets, and facilitate coordination of project activities.

4. **Local Steering Committee.** In each of the three participating cities, an LSC chaired by the mayor will be established and include representatives of deconcentrated services, local government technical services, associations of the private sector, and representatives of local communities. Women and youth, who are commonly marginalized from local decision making, will be included in local consultative forums through local women's and youth organizations. These LSCs will ensure coordination, planning, and monitoring of implementation of the project activities and submit reports to the SP-PIDU to be reviewed by the ISC on a regular basis. As the city administrations do not, at the outset, have the adequate capacity to implement project activities, this implementation responsibility will be held at the SP-PIDU through a "Delegated Management Contract" between each participating city and the SP-PIDU. This document will set forth the roles and responsibilities of the SP-PIDU and each participating city in respect of the implementation of the project. Several elements of the project are designed to help the cities achieve the basic required capacity to gradually take on implementation responsibility, through technical assistance and other capacity-building activities. Subject to the cities developing sufficient capacity during project implementation, they will be given responsibility for procurement and/or supervision of smaller works after an initial start-up phase, with a differentiated approach to take into account variation in capacity among participating cities.

¹⁷ Arrêté No. 231/2018/MUHCV-CAB/SG. The ISC is called *Comite Interministériel de Pilotage* (CIP) in French.



5. **Coordination between central and local teams.** The participating cities, the principal beneficiaries of the project, will be responsible for developing investment proposals through a participatory process. Horizontal coordination within each municipality will be ensured through the LSC by ensuring close consultations with various sectors and technical services. Proactive citizen engagement strategies will be developed and applied to ensure that women and youth, and other commonly marginalized groups, will be involved in local consultation sessions.

Financial Management

6. Overall, the residual FM risk for the project is rated Substantial. It is however considered that the FM will satisfy the World Bank's minimum requirements under the World Bank Policy and Directive on IPF once the FM arrangements and the mitigation measures in the FM action plan mentioned in the following paragraphs have been implemented.

Budgeting Arrangements

7. The SP-PIDU's FM unit in close collaboration with other involved technical units will prepare annual work plans and budgets for implementing project activities, considering the project's objectives. The work plans and budgets will identify the activities to be undertaken and the role of respective parties in implementation. Annual work plans and budgets will be submitted to the World Bank for 'no-objection' not later than November 30 of each year preceding the year the work plan should be implemented. The budgeting system under the SP-PIDU will build on the lessons learned. The budgetary discussions will begin at least six months before the fiscal year of implementation and will consider the Procurement Plan as the starting point. Once the budget is approved, it will be integrated in the computerized accounting system to give way to a budget execution monthly follow-up, based on variance analysis.

Accounting Arrangements

8. **Accounting policies and procedures.** The SP-PIDU will prepare a PIM with adequate FM arrangements that are acceptable to the World Bank financed by the Project Preparation Advance (PPA). The accounting systems, policies, and administrative and financial procedures will be documented in the PIM.

9. **Accounting staff.** The SP-PIDU will retain staffing resources that are adequate for the level of project operations and activities and are sufficient to maintain accounting records relating to project financed transactions and to prepare the project's financial reports. The FM function will be carried out by a team composed of (a) a short-term experienced and qualified FM expert to be recruited on a competitive basis to assist the SP-PIDU's FM team familiarize with the World Bank's FM procedures; (b) a civil servant assigned as the project's FM Specialist based on standards acceptable to the World Bank; and (c) a qualified and experienced Accountant. The staff will be recruited through a competitive process in compliance with the World Bank's Procurement Regulations. The team will have the overall FM responsibility for budgeting, accounting, financial reporting, flow of funds, internal control, and auditing. The FM staff will have their capacity reinforced over the project implementation through the rolling out of the training plan that includes training on IDA disbursement procedures and financial reporting arrangements, among others.



10. **Accounting information systems software.** The SP-PIDU will purchase an accounting software with multi-project, multi-site, and multi-donor features and customized to generate its financial reports. The installation of the software must be completed within three months of project effectiveness.

11. **Accounting standards.** The SP-PIDU will use SYSCOHADA accounting standards which is commonly used among West African Francophone countries. Accounting procedures will be documented in the PIM.

Financial Reporting Arrangements

12. The SP-PIDU will prepare quarterly unaudited Interim Financial Reports (IFRs) in form and content satisfactory to the World Bank, which will be submitted to the World Bank within 45 days after the end of the reporting period. The format and content of the IFR have been agreed during negotiations. The quarterly IFR for the project includes the following financial statements: (a) statement of sources of funds and project revenues and uses of funds; (b) statement of expenditures classified by project components and/or disbursement category (with additional information on expenditure types and implementing agencies as appropriate), showing comparisons with budgets for the reporting quarter, the year, and cumulatively for the project life; (c) cash forecast; (d) explanatory notes; and (e) DA activity statements.

Internal Control and Internal Audit Arrangements

13. **Internal controls.** The internal control policies and procedures will be documented in the PIM which will be prepared and agreed by the World Bank before project effectiveness. The PIM will document the FM and disbursement arrangements, including internal controls, budget process, and assets safeguards, and clarify roles and responsibilities of all the stakeholders.

14. **Internal audit.** The internal audit function will be assumed by the General Financial Inspection Panel (IGF), which is responsible for the internal audit of use of public funds at the national level. An agreement will be concluded with the IGF until project closure to include the project audit in the IGF annual work program to ensure that the audits are done semi-annually using a risk based approach. This will reinforce project governance and mitigate fraud and corruption risks inherent to the public sector in Togo. These semi-annual internal audit reports need to be submitted to the World Bank within 45 days after the end of the semi-annual period. These audits should cover operation expenditures including per diem, travel advance, workshop costs and other soft expenditures, to ensure they are used in an economical manner and for the purposes intended.

External Audit Arrangements

15. **An external independent and qualified private sector auditor will be recruited to carry out the audit of the project's financial statements under the supervision of the supreme audit institution.** Therefore, the annual audits will be conducted based on the terms of reference agreed with the supreme audit institution and that are satisfactory to the World Bank. The Auditor will express an opinion on the annual financial statements and perform his audit in compliance with International Standards on Auditing. The Auditor will be required to prepare a Management Letter detailing observations and comments and providing recommendations for improvements in the accounting system and the internal control



environment. The audit report on the annual project financial statements and activities of the DA will be submitted to IDA within six months after the end of each project fiscal year.

Governance and Anticorruption Arrangements

16. To enhance transparency and accountability, the SP-PIDU will have to deal with fraud and anticorruption, in accordance with the World Bank Anti-Corruption Guidelines referred to in the Financing Agreement.

Figure 2.2. Financial Management Action Plan

| Issue | Remedial Action Recommended | Responsible Entity | Completion | Effective-ness Condition |
|--|--|--------------------|---|--------------------------|
| Staffing | Recruit an FM team comprising (a) a short-term experienced and qualified FM expert to be recruited on a competitive basis to assist the SP-PIDU’s FM team familiarize itself with the World Bank’s FM procedures, (b) a civil servant assigned as the project’s FM Specialist on standards acceptable to the World Bank, and (c) a qualified and experienced Accountant. | SP-PIDU | By August 2018 | No |
| Information system accounting software | Set up a multi-project computerized accounting system to fit project needs and generate useful information and financial statements | SP-PIDU | Within six months after effectiveness | No |
| Financial reporting: IFR | Format, content, and frequency of the IFR were discussed during project negotiations | SP-PIDU | Completed during negotiations | No |
| Administrative, Accounting, and Financial Manual of Procedures | Develop an Administrative, Accounting and Financial Manual of Procedures (as part of the PIM) that also includes detailed procedures describing the system to pay recurrent expenditure with specific sections on anticorruption aspects | SP-PIDU | Within three months after effectiveness | No |
| Internal audit | Conclude an agreement with the General Inspectorate of Finance to include the project in its annual work program and carry out semiannual internal auditing | SP-PIDU | Within six months after effectiveness | No |
| External financial auditing | Appoint an external auditor acceptable to IDA | SP-PIDU | Within six months after effectiveness | No |

17. **Financial covenants.** Financial covenants are the standard ones as stated in the Financing Agreement Schedule 2, Section II (B) on FM, Financial Reports and Audits and Section 4.09 of the General Conditions and the Disbursement and Financial Information Letter (DFIL).



18. **Implementation Support Plan.** FM implementation support missions will be carried out twice a year based on the Substantial FM residual risk rating. Implementation support will also include desk reviews such as the review of the IFRs and audit reports. In-depth reviews and forensic reviews may be done when and where deemed necessary. The FM implementation support will be an integrated part of the project’s implementation reviews.

Disbursements

19. **Disbursements will be made in accordance with the Disbursement Guidelines for Investment Project Financing dated February 2017.** The project will submit applications using the electronic delivery tool, ‘e-Disbursements’, available at the World Bank’s Client Connection website/web-based portal. The Authorized Signatory Letter signed by the GoT will include authorization for the designated signatories to receive Secure Identification Credentials from the World Bank for the purpose of delivering such applications by electronic means.

20. **Disbursements under the project will be transaction based.** In addition to making advances to the DA, other disbursement methods (reimbursement, direct payment, and special commitment) will be available for use under the project. Further instructions on the withdrawal of proceeds will be outlined in the DFIL and details on the operation of the DA will be provided in the project’s Administrative, Accounting, and Financial Manual of Procedures (as part of the PIM).

21. **Table 2.1** specifies the categories of eligible expenditures to be financed out of the proceeds of the credit, the amounts under each category, and the percentage of expenditures to be financed for eligible expenditures in each category.

Table 2.1. Disbursement Amount by Category

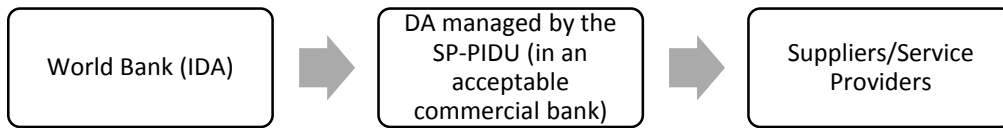
| Category | Amount of the financing allocated (expressed in USD) | Percentage of expenditures to be financed (inclusive of taxes) |
|--|--|--|
| (1) Works, goods, non-consulting services, consulting services, training and operating costs for the Project | 28,750,000 | 100% |
| (2) Refund of the Project Preparation Advance | 1,250,000 | Amount payable pursuant to Section 2.07(a) of the General Conditions |
| (3) Emergency Expenditures under CERC | 0 | |
| TOTAL AMOUNT | 30,000000 | |

Funds Flow Arrangements

22. **Designated Account.** The SP-PIDU will open a DA in a commercial bank acceptable to IDA. Its ceiling will be determined in the Disbursement Letter based on the disbursement forecast for the first four months. The Permanent Secretary (coordinator) and the FM Specialist of the SP-PIDU will be the signatories of the DA.



Figure 2.3 Flow of Funds under the Project



Procurement

23. The Borrower will carry out procurement under the proposed project in accordance with the World Bank’s ‘Procurement Regulations for IPF Borrowers’ (Procurement Regulations) dated July 2016 and revised in November 2017 under the ‘New Procurement Framework’; the ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016; and other provisions stipulated in the Financing Agreements.

24. All procuring entities as well as bidders and service providers, that is, suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and annex IV of the Procurement Regulations.

25. The Borrower shall prepare and submit to the World Bank a General Procurement Notice (GPN) and the World Bank will arrange for publication of the GPN in United Nations Development Business (UNDB) online and on the World Bank’s external website. The Borrower may also publish it in at least one national newspaper.

26. The Borrower shall publish the Specific Procurement Notices (SPNs) for all goods, works, non-consulting services, and the Requests for Expressions of Interest on their free-access websites, if available, and in at least one newspaper of national circulation in the Borrower’s country and in the official gazette. For open international procurement selection of consultants using an international shortlist, the Borrower shall also publish the SPN in UNDB online and, if possible, in an international newspaper of wide circulation; and the World Bank arranges for the simultaneous publication of the SPN on its external website.

27. **Procurement environment.** The public procurement system is governed by Law No. 2009-013 of June 30, 2009, on public Procurement and Public Service Delegations and by Decree No. 2009-277 of November 11, 2009, containing the code of public contracts and delegations of public service. The public procurement code transposes in Togolese law the provisions of the West African Economic and Monetary Union Directives of 2005 (Directive 04 on the procedure for the procurement, execution, and regulation of public procurement and public service delegations; Directive 05 on the control and regulation code of public contracts and delegations of public service).

28. **Procurement institutional arrangement.** A Permanent Secretariat (SP-PIDU) has been set up as the project implementation agency under the DGIEU within the MUHCV. The MUHCV has also established a Public Market Control Commission (*Commission de contrôle des marchés publics*, CCMP) and a Public Procurement Control Commission (*Commission de la passation des marchés publics*, CPMP), each consisting of five members. The CPMP is chaired by the chief public procurement officer (*Personne responsable des marchés publics*, PRMP). The procurement bidding documents to be elaborated by the



Procurement Specialist of the project will be submitted to the PRMP for the review of the CCMP, or for the decision of the National Procurement Control Directorate (*Direction Nationale de Contrôle des Marchés Publics*, DNCMP) under the Ministry of Finance depending on the procurement control threshold described in the procurement code. The MUHCV does not have much experience in the management of World Bank-financed projects. Furthermore, the level of complexity of the procurement activities managed so far are not like the one for this current project.

29. **Filing and record keeping.** The Procurement Procedures Manual will set out the detailed procedures for maintaining and providing readily available access to project procurement records, in compliance with the Financing Agreement. The SP-PIDU (implementing agency) will assign one person responsible for maintaining the records. The logbook of the contracts with a unique numbering system shall be maintained. The signed contracts as in the logbook shall be reflected in the commitment control system of the Borrower's accounting system or books of accounts as commitments whose payments should be updated with reference made to the payment voucher. This will put in place a complete record system, whereby, the contracts and related payments can be corroborated.

30. **Project procurement strategy for development.** As part of the preparation of the project, the Borrower (with support from the World Bank) has prepared a PPSD which will describe how fit-for-purpose procurement activities will support project operations for the achievement of PDOs and deliver value for money. The procurement strategy will ensure proper sequencing of the activities. It will consider institutional arrangements for procurement, roles and responsibilities, thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It will also include a detailed assessment and description of the Government's capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues taken into account will include the behaviors, trends, and capabilities of the market (that is, market analysis) to inform the Procurement Plan. The activities also require strong technical capability to prepare proper technical specifications to avert lack of, or inadequate, market response. This capability or a plan to enhance is considered in the strategy. Also, special arrangements like direct contracting, use of Statements of Expenses, United Nations' agencies, third-party monitors, local NGOs, Force Account, or civil servants needs, results-based arrangements, need for prequalification, if any, will be considered and addressed.

31. The recruitment of civil servants as individual consultants or as part of the team of consulting firms will abide by the provisions of paragraph 3.23 (d) of the Procurement Regulations.

32. **Special considerations.** Togo is on the harmonized list of FCV countries of the World Bank, and therefore the project may trigger Bank Policy IPF paragraph 12 of the Policy for Investment Project Financing under a situation of emergency, as for example under the CERC, to apply flexibilities and simplification to facilitate procurement implementation. These procurement arrangements therefore draw on the World Bank Guidance on Procurement Procedures in Situations of Urgent Need of Assistance or Capacity Constraints issued on July 1, 2016, and revised in November 2017.

33. **Procurement Plan.** The Borrower and its Project Implementing Unit prepared a detailed 18-month Procurement Plan which has been agreed by the Government and the World Bank during negotiations. The Procurement Plan will be updated in agreement with the World Bank team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.



34. **Works and services.** The procurement includes major infrastructure investments for the cities of Lomé, Kara, and Dapaong for a total estimated amount of US\$23 million and consists mainly of (a) rehabilitation of selected urban roads toward paved urban roads, (b) improvement of the drainage system on selected urban roads, (c) improvement and rehabilitation of selected urban markets, and (d) rehabilitation of selected water points. In addition, the project will also procure consultant services on capacity building and institutional strengthening, including development of the DUPs, and solid waste management strategies. The contracts of goods to be procured during the project implementation are not subject to present specific constraints or require a particular technology.

35. **Training, workshops, study tours, and conferences.** Training activities would comprise workshops and training, based on individual needs, as well as group requirements, on-the-job training, and hiring consultants for developing training materials and conducting training. Selection of consultants for training services follows the requirements for selection of consultants mentioned earlier. All training and workshop activities (other than consulting services) will be carried out on the basis of approved annual work plans/training plans that would identify the general framework of training activities for the year, including (a) the type of training or workshop, (b) the personnel to be trained, (c) the institutions which would conduct the training and reason for selection of this particular institution, (d) the justification for the training and how it would lead to effective performance and implementation of the project and or sector, (e) the duration of the proposed training, and (f) the cost estimate of the training. Report by the trainees, including completion certificate/diploma upon completion of training, shall be provided to the Project Coordinator and will be kept as part of the records, and will be shared with the World Bank if required.

36. A detailed training and workshops plan, providing the nature of training/workshop, number of trainees/participants, duration, staff months, timing, and estimated cost will be submitted to IDA for review and approval before initiating the process. The selection methods will derive from the activity requirement, schedule, and circumstance. After the training, the beneficiaries will be requested to submit a brief report indicating what skills have been acquired and how these skills will contribute to enhance their performance and contribute to the attainment of the project objective.

37. **Operational costs.** Operational costs financed by the project would be incremental expenses, including office supplies, vehicle O&M costs, maintenance of equipment, communication costs, rental expenses, utilities expenses, consumables, transport and accommodation, per diem, supervision costs, and salaries of locally contracted support staff. Such service needs will be procured using the procurement procedures specified in the PIM accepted and approved by the World Bank.

38. **Procurement Manual.** Procurement arrangements, roles and responsibilities, methods, and requirements for carrying out procurement shall be elaborated in detail in the Procurement Procedures Manual which will be a section of the PIM. The Manual shall be prepared by the Borrower and agreed with the World Bank not later than three months from project effectiveness.

39. **Procurement methods.** The Borrower will use the procurement methods and market approach in accordance with the Procurement Regulations. Open National Market Approach is a competitive bidding procedure normally used for public procurement in the country of the Borrower and may be used to procure goods, works, or nonconsultant services provided it meets the requirements of paragraphs 5.3 to 5.6 of the Procurement Regulations. The thresholds for particular market approaches and procurement



methods are indicated in table 2.2. The thresholds for the World Bank's prior review requirements are also provided in table 2.2.

Table 2.2. Thresholds^a, Procurement Methods, and Prior Review

| No. | Expenditure Category | Contract (C) Value Threshold* [equivalent to US\$] | Procurement Method | Contracts Subject to Prior Review [equivalent to US\$] |
|-----|--|--|---|--|
| 1 | Works | $C \geq 5,000,000$ | Open Competition International Market Approach and Direct Contracting | $\geq 5,000,000$ |
| | | $200,000 < C < 5,000,000$ | Open Competition National Market Approach | None |
| | | $C \leq 200,000$ | Request for Quotations | None |
| 2 | Goods, IT, and non-consulting services | $C \geq 500,000$ | Open Competition International Market Approach and Direct Contracting | $\geq 1,500,000$ |
| | | $100,000 < C < 500,000$ | Open Competition National Market Approach | None |
| | | $C \leq 100,000$ | Request for Quotations | None |
| 3 | r Consulting Services | $C < 100,000$ | National shortlist for selection of consultant firms | None |
| | | $C \geq 100,000$ | International shortlist for selection of consultant firms | $\geq 500,000$ |
| 4 | Engineering and Construction Supervision | $C < 300,000$ | National shortlist for selection of consultant firms | None |
| | | $C \geq 300,000$ | International shortlist for selection of consultant firms | $\geq 500,000$ |
| 5 | Individual consultants | All Values | All approaches | $\geq 200,000$ |
| 6 | Direct contracting | All values | — | As agreed in the Procurement Plan |
| 7 | Training, workshops, and study tours | All values | Based on approved annual work plans and budgets | Annual work plans and budgets |

Note: a. These thresholds are for the purposes of the initial Procurement Plan for the first 18 months. The thresholds will be revised periodically based on reassessment of risks. All contracts not subject to prior review will be post-reviewed.

40. **Procurement risk rating.** The project procurement risk before the mitigation measures is High. The risk can be reduced to a residual rating of 'Substantial' upon consideration of successful implementation of the mitigation measures. The risks and mitigation measures are provided in table 2.3.



Table 2.3. Procurement Risk Assessment and Mitigation Action Plan

| Procurement Risk | Mitigation Measures | Responsibility and Deadline |
|--|--|--|
| An Operational Manual including a section on procurement is not available | Elaborate and submit to IDA for agreement, a satisfactory version of the Operations Manual comprising a section on procurement for use by the project | MUHCV; first draft by end of August 2018 and adoption by three months after project effectiveness |
| At present, there is no qualified Procurement Specialist within the SP-PIDU of the MUHCV | Recruit and maintain a Procurement Specialist with qualification and expertise satisfactory to the World Bank within the MUHCV | MUHCV; To be recruited by end of August 2018 and on duty throughout the project duration |
| Weak capacity of the CCPM, CPMP, and the DNCMP in the New Procurement Framework procedures of July 2016 and revised in November 2017 | Reinforce the capacity the Procurement Commission, the PCC, the DNCMP in the New Procurement Framework procedures of July 2016, and revised in November 2017 | MUHCV with technical support from the World Bank; By three months after the project effectiveness |
| Long delay by the MEF for the approval of contracts | The MEF shall comply with procurement service standard times for contract approval time and shall ensure the MUHCV fills a realistic commitment in each year's Government budget | MUHCV/DNCMP/MEF; as and when needed during project life |
| There is limited knowledge by the SP-PIDU on the World Bank's online procurement planning and tracking tool named Systematic Tracking of Exchanges in Procurement (STEP) | Reinforce the capacity of the SP-PIDU on the World Bank's online procurement planning and tracking tool for the need to submit a Procurement Plan and manage procurement activities through STEP | MUHCV/World Bank; By three months after the project effectiveness |

Environmental and Social (including safeguards)

41. **Socioeconomic benefits and poverty reduction.** The proposed project is expected to deliver significant social benefits by improving the living conditions of low-income communities. The project will contribute to reducing urban poverty by (a) reallocating public funds to more direct and targeted interventions for the poor, (b) prioritizing urban infrastructure and services that are key to improving living and health conditions of the poor, and (c) improving the involvement of community-based organizations and the private sector in the execution of targeted operations. By covering seven cities, this project will also reduce the gap in service delivery between the capital city and other secondary cities as well. The project will help generate temporary employment opportunities in labor-intensive public works and support local economic development in these areas, which will benefit the local residents in the selected poor neighborhoods.

42. **Gender and youth.** The project is classified as gender-informed; gender-specific actions are to be undertaken during project implementation and are reflected in the results framework. Women and youth are considered vulnerable groups who are mostly affected by poor mobility and lack of access to basic services. Women are generally burdened with household services such as buying food, fetching water, disposing of domestic wastewater and solid waste, paying utility bills, and caring for the sick and elderly.



Improving access to basic services such as water supply, sewerage, and drainage and better mobility through improvements in urban roads connectivity will benefit the communities, especially the women and youth, by enhancing sanitary conditions and improving productivity, with its associated time and cost-savings. Women's participation in the planning and community development processes is a key factor in establishing policies that truly represent all people in the community. It is also important for providing services that respond not only to the community at large but also to specific needs that women and youth may have. Actions to be taken under the project include (a) ensuring women's participation in all aspects of the program and dissemination of information to women, using appropriate media and language; (b) use of gender-sensitive approaches and methods corresponding to local conditions (place, timing, facilitation techniques, and so on); (c) training on gender awareness, including an awareness program on GBV prevention; and (d) collection and monitoring of gender-disaggregated data on project beneficiaries. To promote youth employment, labor-intensive works financed by the project will engage local unemployed young men and women, not only to provide them with temporary jobs and additional incomes but also with on-the-job training to enhance their competencies for long-term employment.

43. **Community participation and citizen engagement.** Strong community participation ensures buy-in and demand; local government engagement ensures institutionalization of the process so that investments can be made for the most-needed infrastructure and services with good quality of works. The preparation of the project, including feasibility studies and preparation of safeguards instruments, were carried out in consultation with the Government, city administrations, and representatives of civil society. All mayors of the participating cities participated in the preparation of the project. Project investments and implementation will be demand driven and the communities will remain throughout and after completion of the project. The project will operate in close collaboration with the communities, in particular women's groups and youth organized along common economic/employment interests. Citizen engagement and beneficiary feedback will be monitored through agreed indicators in the results framework.

44. **Labor influx mitigation, child protection and GBV prevention.** All the civil works financed under this project will aim to involve primarily residents, especially youth, to help promote employment and reduce the influx of external labor. When it is necessary, for technical or financial reasons to use contractors and foreign workers to work under infrastructure subprojects, provisions to minimize or mitigate the negative impacts of the influx of labor work on the community will be added in the risks management plans. These provisions must include the (a) assessment of labor influx risks during the process of conducting Environmental and Social Impact Assessments (ESIAs); (b) development of the Labor Flow Management Plans; (c) requirement to introduce clauses for the management of workers, protection against child labor, prevention of GBV, and so on in all civil works contracts of companies and subcontractors; (d) enhancement of capacities of the Borrower, contractors, workers, and bordering communities on security and health issues, GBV, and so on; (e) establishment of an accessible and accountable GRM system to ensure that any incidents related to labor influx and GBV will be handled effectively with sufficient social sensitivity and within reasonable time frames.

45. **Social safeguards.** Overall social impacts of the project are expected to be positive. The project will not finance large civil works with negative social impacts, but is likely to trigger Involuntary Resettlement OP/BP 4.12. An RPF outlining provisions to minimize and mitigate risks and negative impacts has been prepared by the Government, consulted upon with the potentially affected persons and other stakeholders, and reviewed and cleared by the World Bank. It will serve as a guide to develop resettlement



plans for investments whose sites are not yet known. For priority investments whose sites are already known in Lomé, Kara, and Dapaong, three RAPs have been prepared respectively by the Government, consulted upon in three cities, and reviewed and cleared by the World Bank. Both the RPF and the three RAPs were disclosed in the country and on the World Bank website on May 16, 2018. For investment sites yet to be identified, the RAPs will be prepared before the start of civil works, as required. A GRM will be established by the Government under the project, whereby beneficiaries and stakeholders can express their concerns regarding the project. To ensure compliance of the project with the World Bank's requirements on social safeguards, the project includes a budget for (a) training and awareness raising for local authorities, consulting firms, contractors, community-based organizations, and relevant ministry staff, with a focus on the implementation of the RPF, RAP, and the mitigation of social and environmental impacts; (b) training in the management, monitoring, and maintenance of infrastructure subprojects for city staff and neighborhood organizations; (c) training for the Safeguards Specialist within the SP-PIDU, with a focus on social and environmental audit and appraisal; (d) the ESIA's for future subprojects, as well as periodic environmental and social audits of subprojects under implementation; and (e) environmental and social monitoring in the field to ensure that the provisions of the RPF have been implemented appropriately. To further enhance the environmental and social sustainability of future infrastructure investments, this project will finance the planting of indigenous trees, wherever appropriate, on subproject sites and areas prone to erosion.

46. **Environmental impacts.** The project will be implemented at the city and local neighborhood levels with minimum adverse environmental impacts. City-wide investments include public works of improving connectivity and access to basic services that will cause temporary and site-specific impacts. At the local neighborhood level, most of the investments will be of simple design and technology, some using labor-intensive methods accessible to local contractors and SMEs.

47. **Environmental safeguards.** The project has been rated category 'B' and triggers two environmental safeguards policies: OP/BP 4.01 on Environmental Assessment and OP 4.11 on Physical Cultural Resources. To mitigate the risks, during project preparation, an ESMF has been prepared, specifying how to identify and mitigate any adverse environmental impacts from project activities. The document was reviewed by the World Bank team, consulted upon, and disclosed in-country on April 25, 2018, and published on the World Bank's website on April 27, 2018. The ESMF outlines an environmental and social screening process for component's activities. It also includes 'Guidelines for an Environmental and Social Impact Assessment (ESIA)'; 'Environmental Guidelines for Contractors as well as Subcontractors'; and a summary of the World World Bank's safeguard policies. It also contains chapters to take into account matters related to physical cultural resources. That means guidance and guidelines have been included in the ESMF to this end. For those investments whose sites are known to date namely roads paving or asphaltting in Lome, Kara and Dapaong, three ESIA's were developed, reviewed, consulted upon and disclosed in Togo on May 2, 2018 and, thereafter on the World Bank's website on May 3, 2018.

48. **Occupational health and safety.** Safeguards documents include Guidelines on EHS/OHS and clearly mentions that the company's Works-ESMP must be approved by the SP-PIDU and their partners before the commencement of civil works. Moreover, the bidding documents and the contracts for main contractors as well as the subcontractors must also include sections related to the EHS/OHS.

49. **Implementation of safeguards instruments.** To ensure that the safeguard instruments prepared in line with policies triggered by the project are implemented properly, the SP-PIDU will hire an



Environmental Safeguards Specialist and a Social Safeguards Specialist. The Environmental Safeguards Specialist must have additional experience in EHS/OHS, and the Social Safeguards Specialist in GBV, social inclusion, and any labor-related risk. Both specialists will be fully in charge of all aspects of environmental and social safeguards and will regularly monitor all safeguard requirements. More specifically, the two specialists, the implementing agencies, and the other stakeholders will ensure that children are not employed in civil works as labor force. Meanwhile, the World Bank's implementation support missions will also include environmental and social safeguards specialists to ensure that all safeguard issues are addressed properly and on time.

Monitoring and Evaluation

50. **The reporting and monitoring of the project outputs, outcomes, and results will be based on the agreed results framework and monitoring arrangements.** Project reporting, monitoring, and evaluation, including social accountability measures, will be all be managed and coordinated by the SP-PIDU, using information collected from the local teams in all participating cities on a regular basis. The results framework lays out the modalities and frequencies of collecting key data on results and outcomes, including project progress reports, third-party evaluation studies, specific baseline and post-intervention beneficiaries surveys, and so on. A semiannual monitoring table and progress reports will be prepared by the SP-PIDU and discussed during the Steering Committee meetings. These reports will assess achievements against the agreed work plans and the overall PDO. The SP-PIDU will be responsible for preparing quarterly reports and updating the work plans on an annual basis, taking into account the achievements of the project outcomes to date, the strategic focus of the project, and IDA feedback. Special attention will be given to M&E from the beginning of the project.

51. **An in-depth evaluation of project results will be undertaken at the midterm review to make any course corrections needed.** The objective of the review will be to assess progress and, if necessary, make changes in the project based on additional lessons and the realities on the ground. An Implementation Completion Report will be undertaken within six months after the completion of the project, as the final comprehensive assessment of the project's performance and to review achievements, issues, and lessons. Lessons learned from the project should also be shared as appropriate with all participating agencies, beneficiary communities, and other stakeholder institutions. All studies and reports conducted in the framework of the project will be appropriately disseminated according to the World Bank's Disclosure Policy.

52. **Communication strategy.** A Communications Specialist (within the SP-PIDU) will be required to manage the overall communications aspect for the project. The main objective is to (a) facilitate the flow of information between the various agencies involved in project implementation with the view of creating an environment of transparency and accountability (with regard to flow of funds, activities to undertake, outputs, and outcomes) and facilitate strategic decisions at all levels; and (b) ensure that the project's main objectives and progress being achieved are well-communicated to the immediate beneficiaries, and to the general public at large taking into account suggestions, comments, and ideas received as feedback from project beneficiaries. The following aspects of the project would have a direct need for communications expertise—environmental and social aspects; transparency in the procurement process; community involvement, participation, and ownership; and possible political interference during project implementation. Any problems that could arise at any of these fronts should be clearly identified and an appropriate communication plan should be developed promptly to address them. The GoT will develop



and deploy, within six months of effectiveness, a comprehensive communications strategy designed to address all important issues identified that might affect project implementation, taking into account all stakeholders in the public and private sectors, beneficiary communities, civil society, and the media and to ensure consistency of messages to targeted audiences.

Role of Partners

53. Since the resumption of their engagement in the country, a number of donors have been supporting the Government in achieving its objectives on delivering infrastructure and urban services to the population as well as building the capacity of cities on urban management. The project complements the actions carried out by a series of projects funded by the EU, AFD, KfW, and GIZ, including (a) Decentralization and Urban Governance Project (ProDeGol), whose objective is to strengthen the capacity of the municipal administration, finance, and modernization of vital statistics services; and (b) Decentralization Support Program (*Programme d'Appui à la Décentralisation*) 1 and 2 that aim to facilitate the decentralization agenda of the GoT through technical assistance on capacity building and institutional strengthening; and (c) Water and Sanitation Project in Togo (*Projet d'Eau et d'Assainissement du Togo*) 1 and 2, whose objective is to improve the living conditions of the targeted population through improved and sustainable access to the basic services of drinking water as well as household and collective sanitation. As the readily available funding is relatively small compared to the needs of the cities, the task team has been in close discussions with the development partners to maximize complementarity and development impacts. In particular, LDPs and DUPs will be used as the entry point and road maps to identify prioritized infrastructure needs and next steps for providing development support in the cities of Togo.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY: Togo

Infrastructure and Urban Development Project

Strategy and Approach for Implementation Support

1. The project will be implemented by the established implementation agency, that is, the SP-PIDU, under the MUHCV. Although the MUHCV has previous experience in implementing infrastructure projects, it has very limited capacities and experience in implementing this type of project. The SP-PIDU will manage the project at the central level by coordinating overall project implementation in various locations, ensuring timely availability of fund transfers, maintaining project accounts and producing financial reports, monitoring and evaluating program implementation and impacts, and reporting results to various stakeholders. Under the leadership of the Permanent Secretary, the SP-PIDU will include a Procurement Specialist (with extensive engineering, contract management, procurement, and communications knowledge), a Communications Officer, a Senior Civil Engineer, an FM Specialist, an Accountant, a Monitoring and Evaluation Specialist, an Environmental Safeguards Specialist, and a Social Safeguards Specialist.

2. The Implementation Support Plan (ISP) aims to focus implementation support to the participating cities at the municipal level. Implementation of activities will therefore be assigned to the SP-PIDU through a Delegated Management Contract. As the participating cities develop their capacities, they will be given responsibility for procurement and/or supervision of smaller works. The participating cities will be responsible for developing investment proposals through a participatory process and will agree with the SP-PIDU on the implementation arrangements for their respective programs. Horizontal coordination within each municipality will be ensured through close consultations with various sectors and technical services. The World Bank will play an important role during implementation to ensure the full involvement of project cities and the implication for beneficiaries in the planning of activities, implementation, and O&M as well as in capacity-building activities.

Implementation Support Plan and Resource Requirements

3. The ISP is based on the concept of having two full implementation support missions per year which will include site visits to the participating cities. In addition, the co-Task Team Leader in the Togo Country Office will carry out ad hoc visits as needed and advise the client on an ongoing basis. Videoconference meetings will also be organized between the SP-PIDU and the World Bank to address any urgent or pending issues. A midterm review of the project will be conducted after approximately 30 months of implementation to carry out an in-depth review of the project performance to assess progress, and if necessary, make adjustments to the project to ensure that the PDOs are on track.

4. The Permanent Secretary (Project Coordinator), who has been involved in the project since its conception, is familiar with the World Bank's procedures and is well-positioned to guide the project team to a successful start. However, the project will still require extensive support in the start-up phase to ensure that key stakeholders are fully on board. This need is expected to reduce as the processes and management of project activities get underway and capacities at the local level are strengthened.



5. It is projected that about 10 semiannual implementation support missions will be required over the life of the project, in addition to the project launch mission. Specific elements of the ISP are described in the following paragraphs:

- Monitoring adherence of safeguards instruments by including the Safeguards Specialists in semiannual missions. These specialists will also assure knowledge transfer to the project Safeguards Specialists.
- Development of a comprehensive communications strategy and implementation of responsive feedback mechanisms (spot checks, dedicated safeguards compliance support, and so on) for quality assurance and M&E.
- The participating cities will receive technical assistance (Component 2) but the World Bank will play a role in supporting the establishment of working relationships between the SP-PIDU, Government ministries, and municipalities to take on their role as service providers.
- Fiduciary missions will focus on the SP-PIDU’s performance in managing contracts, procurement, and financial matters, as well as on completing the agreed implementation plans.

Main Focus in Terms of Support to Implementation

| Time | Focus | Skills Needed | Resource Estimate (US Dollars) | Partner Role |
|---|---|--|---------------------------------------|---------------------|
| First 12 months | Start-up phase, contracting for works in Lomé, Kara, and Dapaong, start capacity-building activities in all participating cities | Engineering, infrastructure, urban planning, institutional development, procurement, FM, safeguards, M&E, and communication | 150,000 | — |
| 12–48 months or until midterm review, whichever comes first | Works supervision, technical design studies, and start of construction of urban investments, capacity building, and review of studies | Engineering, infrastructure, urban planning, institutional development, procurement, FM, safeguards, M&E, and communication | 100,000 per year (total: 200,000) | — |
| Midterm review (Year 3) | Midterm review | Engineering, infrastructure, urban planning, institutional development, procurement, FM, safeguards, M&E, communication, and economic analysis | 150,000 | — |



| Time | Focus | Skills Needed | Resource Estimate (US Dollars) | Partner Role |
|--|--|--|-----------------------------------|--------------|
| Year 3–5, post-midterm review until end of project | Continued works implementation, implementation of study recommendations, capacity building | Engineering, infrastructure, urban planning, institutional development, procurement, FM, safeguards, M&E, communication, and economic analysis | 100,000 per year (total: 200,000) | — |
| Total (5 years) | | | 700,000 | — |

Skills Mix Required

| Skills Needed | Number of Staff Weeks | Number of Trips | Comments |
|-------------------------|-----------------------|-----------------|---|
| Task Team Leader | 60 | 10 | Ongoing implementation support to the client, twice yearly implementation support missions |
| Co-Task Team Leader | 60 | 10 | Country-based, providing ongoing implementation support to the client, twice yearly implementation support missions plus regular check-ups and conversations to provide technical support |
| Urban Specialist | 30 | 10 | Ongoing implementation support to the client, twice yearly implementation support missions |
| Procurement | 30 | 10 | Implementation support mission at least twice a year |
| FM | 30 | 10 | Implementation support mission at least twice a year |
| Engineering | 30 | 10 | Implementation support mission at least twice a year |
| Institutional aspects | 15 | 5 | Start-up (3 missions), midterm review, closing |
| M&E | 15 | 5 | Start-up (3 missions), midterm review, closing |
| Social safeguards | 20 | 10 | Implementation support mission at least twice a year |
| Environmental safeguard | 20 | 10 | Implementation support mission at least twice a year |
| Disbursement | 1 | 0 | — |



| | | | |
|--------------------------|------------|----------|---|
| Legal | 1 | 0 | — |
| Senior Program Assistant | 10 | 2 | Ongoing team support, headquarters-based |
| Team Assistant | 15 | 0 | Ongoing team support, Country Management Unit-based |
| Total | 337 | — | — |

| | | |
|-------------|----------------------------|-------------|
| Partners | | |
| Name | Institution/Country | Role |
| — | — | — |



Map IBRD 43536

