

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC5348

Date ISDS Prepared/Updated: 02-Sep-2013

Date ISDS Approved/Disclosed: 04-Sep-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	South Sudan	Project ID:	P143975
Project Name:	Institutional Development and Capacity Building Project (P143975)		
Task Team Leader:	George Addo Larbi		
Estimated Appraisal Date:	28-Apr-2014	Estimated Board Date:	02-Jul-2014
Managing Unit:	AFTP2	Lending Instrument:	Technical Assistance Loan
Sector(s):	Central government administration (80%), Sub-national government administration (20%)		
Theme(s):	Administrative and civil service reform (40%), Public expenditure, financial management and procurement (30%), Other accountability/ anti-corruption (15%), Other public sector governance (15%)		
Financing (In USD Million)			
Total Project Cost:	15.00	Total Bank Financing:	15.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		15.00	
Total		15.00	
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

B. Project Objectives

The proposed project development objective is to support the development and strengthening of the capacities of core institutions for effective and transparent performance of core public finance management and human resources management functions in government.

C. Project Description

The project will have three technical components and a project management unit as below:-

Component A: Strengthening Core Economic and Financial Functions of Government: This component will provide two flexible options and approaches depending on the financial envelope and the willingness of other partners to jointly fund the project with the Bank. Preliminary sub-component activities have been selected following a stakeholder assessment and focuses where the Bank will have more comparative advantage in terms of avoiding duplication and realization of value addition within the available resource envelope. Many development partners/donors have support for local government level PFM, with little support targeted to critical PFM activities. The project will support strengthening of institutions for effective functioning of public financial management systems and related accountability and transparency activities. Further discussions shall be undertaken with the MOFEP, line agencies and development partners to refine activities during project preparation.

Sub-Component A.1: Budget planning, execution, accounting and reporting.

This sub-component support will include development and implementation of medium term and policy based budgeting as an important aspect of enhancing the budget planning, execution and monitoring processes as well as the discipline in allocating, implementing and accounting for resources according to identified national plans and priorities. Specific activities will include support to strengthen accounting and reporting, including building staff capacity. The issues facing South Sudan create a greater degree of complexity for a Medium Term Financial Framework (MTFF) than one would normally find. First, the austerity pressures due to oil shut down will remain through the remainder of 2013 and possibly longer. Second, the renewed flow of oil will make more revenue available and need systems for efficient planning and managing the resources. Finally, there are the additional expenditure pressures such as repayment of domestic and possibly international loans and staff pensions. All these pressures would require South Sudan to develop and strengthen systems for planning, financial resource allocation, execution and monitoring.

Expected outcomes will include: (i) Timely preparation and submission of budget to the parliament, (ii) Timely publication of annual financial statements (iii) Produce quarterly budget execution reports that include revenue and expenditure outturns.

Sub-Component A.2: Strengthening the Analytical Capacity of PAC and Parliamentary Budget Office in the NLA and the Front Office of the Minister of Finance.

This component will include setting up of a Parliamentary Budget Office. The budget office is supposed to produce objective budgetary analysis and fiscal and programmatic information for legislators. The case for a non-partisan budget office rests on the assumption that legislatures need a source of information and analysis independent from the executive to effectively execute its legislative and oversight functions. This role can include participation in the drafting, approval, implementation and auditing of the national budget. Enhancing the legislature's power of the purse is embedded in the broader goal of improving oversight and governance. The support here will build on work done under the LICUS and SPF supported by the World Bank.

The Front Office of the Minister requires dedicated support in policy analysis and advice, as well as effective feedback mechanism in response to and management of policy issues as they arise. Currently, though this is happening, it is not systematic and effective. It therefore becomes imperative to provide the relevant Technical Assistance, in terms of the relevant structure, support

staff and funding where necessary. The SPF under preparation will provide initial support for selected activities which the project will continue after effectiveness. The SPF will also provide a stop gap support to the front office of Minister of Finance in reorganization and review of structures and support to relevant financial and budget committees in the Parliament.

The outcome indicators include: (i) National budget is aligned with the stated government priorities in the national development plan; (ii) Parliamentary Budget Office fully set up and functional; and (iii) Effective policy management in the Front Office of the MoFEP.

Sub-Component A.3: Selected public procurement reforms and capacity building which includes, inter alia: rolling out of implementation of procurement law to sub-national level; development of procurement regulations and related procurement tools; support to establish a procurement cadre in the civil service ; procurement capacity building including development of modules on various aspects of procurement, procurement planning and audit, records management, contract management and oversight; logistics and equipment support. The key indicators to measure achievement will include (i) increased local procurement capacity, (ii) percentage of public contracts above agreed threshold that are competitively awarded and (iii) percentage of public contracts above an agreed threshold that are published.

Sub-Component A.4: Audit and oversight. Activities under this sub-component will provide flexible support to enhancing a Risk Based Internal Audit function and strengthening external audit functions and capacity building to carry out regular and specialized audit functions, establishment of audit committees in pilot five MDAs to follow up audit recommendations. Support will also be provided to the Public Accounts Committee of the NLA. The key measurable indicators here will include (i) Reduction in audit backlog –external, (ii) External audit reports prepared and published in a timely manner in accordance with the current regulations (iii) Internal audit units and committees established and functional in 5 ministries.

With the IDA financing only, support will largely focus at the Federal level. However, States may be included in selected capacity building activities such as procurement training. From the stakeholders' assessment, there is a substantial concentration of development partners at the sub-national levels (especially the counties) rather than at the States level. The Bank, through the Local Government Service Delivery Project, will be providing basic PFM support to counties and below. This is because it is best to realize effectiveness at the center which can easily be rolled to the sub-national levels.

Component B: Results-based M&E in Core Government Institutions

M&E in government functions and programs is weak and tend to emphasise project monitoring, with little or no evaluation. This component is partly in response to specific request for the Office of President and as a follow up to an M&E workshop for senior government officials in June 2013. It is also to develop a results orientation and culture in the public service. One of the key challenges is how to monitor and measure the outcome of public expenditures on government programs and projects, especially in big spending ministries. This component will help to address these challenges by strengthening the capacity of government to effectively allocate resources, development of M&E strategies to track outcomes of government programs and improve the quality of service delivery, using evidence generated from regular evaluation of programs. The focus will be on improving the legal and institutional framework for results-based M&E and building the institutional capacity for effective monitoring and management of development outcomes. It will support activities related to

(a) diagnosis of existing M&E systems; (b) design and implementation of a new M&E system; (c) formulation of policies and drafting of enabling regulations; (d) training and skills development for staff of core economic and social sectors; and (e) pilot evaluations and service delivery satisfaction surveys for key public services.

Component C: Strengthening Institutions for Human Resource Management and Development

The Ministry of Labour, Public Service and Human Resource Development has developed a five year plan and the proposed project would support implementation of key aspects of the plan. Based on discussions with the Ministry, this would include:

Sub-component C.1: Support to the establishment of the South Sudan Institute of Public Administration/School of Government.

This is part of the South Sudan Development Plan but has no funds allocated to establish it due to the current financial situation. GRSS and DPs currently spend significant resources to train people outside South Sudan. The development of the Institute will be taken in phases. The first phase which this project will support will involve making the current Human Resource Training Centre (built with funding from AfDB) operational/functional as part of a future public service training/management development institute. This will include support in the development of policy framework, setting up a management team and hiring staff, development of training modules, training of trainers, provision of teaching and learning resources, setting up twinning arrangements etc. Expansion of current site or construction of a new site would be considered as part of a future phase once decisions are made on location and there is clear commitment of GRSS financial contribution. Here, focus on skills and knowledge transfer would be leadership and management training for managers, including learning how to manage staff, mentor, coach, and build individual motivation and team spirit, reinforce on the job what staff have learned in training, model and reinforce integrity and ethical behaviour, take decisions and be accountable, how and when to delegate, and implement and manage new or changed systems, will be key. Agency-specific specialized training will be provided for middle to higher-level specialized staff. International advisers will be expected to combine on-the-job training of national counterparts with local classroom training, mentoring and coaching, self-learning techniques, and overseas study tours and training, as appropriate, with the aim of gradually transferring in-line duties completely to national staff and eventually phasing out the need for advisory assistance. No any other donor is the running of the Centre and hence the Bank's involvement. This is the envisaged long term in-country solution to capacity building in South Sudan.

Component C.2: Strengthening the Policy Unit for the MoLPSHRD and Continuity of Core Skills Training.

The Ministry has a policy unit but it currently headed and run by one person and is not fully structured. Technical support in structuring and training in requisite technical skills shall be facilitated. The CBTF III will not continue with the Core Skills training for lower cadre civil servants- these include training in, program management, report writing and presentational skills, basic office administration, accounting and book-keeping, computer applications (e.g., spread sheets, word processing) and English. This was being funded by the CBTF II but the funding comes to an end in January 2014.

Sub-Component C.3: Records Management.

The earlier support to the Ministry was from the Government of Kenya. However, it has not been comprehensive enough to cover the Ministry including the rest of the Federal Ministries. There is an

urgent need to scale up this support and in particular, introduce electronic records management system. The Bank will hold further discussions with the Government of Kenya to agree on areas of support and partnership.

Sub-Component C.4: Support to Diaspora return Program

As a short term measure to revamping the needed capacities in the public sector. This will target the return of South Sudanese professionals from the diaspora to fill important professional gaps as a medium term strategy while other capacity building efforts are on-going. Focus on addressing the short term capacity needs through the quick infusions of skilled expertise, both national (including South Sudanese in the diaspora) and international, with incentives and systems to support them, and support to the formulation of long-term capacity development strategy that integrates technical expertise with capacities to plan, manage and deliver, as well as the ‘soft’ skills that promote dialogue, trust and long term consensus-building, as well as behavioural change shall be considered in the design. Ramping up capacity in the short term is crucial; however, while undertaking investments in human development within South Sudan, it is important to secure the supply of qualified, young professionals over the medium term. The MoLPHRD initiated the diaspora desk idea through UNDP, but this did not kick –start as required due to funding shortfall as well as lack of an appropriate strategy. UNDP currently supports the IGAD Regional Initiative of twinning national staff with civil servants from IGAD countries in order to pass knowledge and skills. However, emerging lessons indicate that the program is not working well because identified national twins have inadequate or lack the appropriate educational training to be able to easy benefit from the twinning. This project intends to be highly selective in this process, focusing on critical functional needs of government first.

Component D: Project Management, Coordination and Impact Evaluation

This component will support project management and coordination at the national level, including providing technical and capacity building support for project financial management and procurement; M&E impact evaluation, project communication and oversight. It will also support project external audit and operating and logistic support to the project management unit to be located in MoLPSHRD.

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

The project will be located and implemented largely in the capital of South Sudan, Juba, and possibly some state capitals.

E. Borrowers Institutional Capacity for Safeguard Policies

The borrower's capacity in planning, implementing and supervising any due diligence measures (environmental, social, technical, overall quality) is currently weak. However, as the project does not envisage any works or upstream preparation of projects involving works or activities with environmental or social impacts, the project does not trigger the Bank's safeguards policies.

F. Environmental and Social Safeguards Specialists on the Team

John Bryant Collier (AFTN3)

Paula F. Lytle (AFTCS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

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

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 02-Dec-2013

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

Not applicable/ not required.

IV. APPROVALS

Task Team Leader:	Name: George Addo Larbi	
Approved By:		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Pablo Fajnzylber (SM)	Date: 04-Sep-2013

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