INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.: ISDSA8020

Date ISDS Prepared/Updated: 23-Mar-2014
Date ISDS Approved/Disclosed: 11-Apr-2014

I. BASIC INFORMATION

1. Basic Project Data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Project ID:</th>
<th>Central African Republic</th>
<th>P149884</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td></td>
<td>EMERGENCY PUBLIC SERVICES RESPONSE PROJECT (P149884)</td>
<td></td>
</tr>
<tr>
<td>Task Team Leader:</td>
<td></td>
<td>Kolie Ousmane Maurice Meg</td>
<td></td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>Estimated Board Date:</td>
<td>24-Apr-2014</td>
<td></td>
</tr>
<tr>
<td>Managing Unit:</td>
<td>Lending Instrument:</td>
<td>AFTMW</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>Sector(s):</td>
<td></td>
<td>General public administration sector (60%), Central government administration (40%)</td>
<td></td>
</tr>
<tr>
<td>Theme(s):</td>
<td></td>
<td>Administrative and civil service reform (70%), Other public sector governance (30%)</td>
<td></td>
</tr>
</tbody>
</table>

| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | No |

Financing (In USD Million)

<table>
<thead>
<tr>
<th>Total Project Cost:</th>
<th>Total Bank Financing:</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Gap:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0.00</td>
</tr>
<tr>
<td>IDA Grant</td>
<td>13.11</td>
</tr>
<tr>
<td>IDA recommitted as a Credit</td>
<td>6.10</td>
</tr>
<tr>
<td>IDA recommitted as a Grant</td>
<td>10.79</td>
</tr>
<tr>
<td>Total</td>
<td>30.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Category:</th>
<th>C - Not Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this a Repeater project?</td>
<td>No</td>
</tr>
</tbody>
</table>

2. Project Development Objective(s)
The project development objective is to re-establish an operational government payroll and related financial management systems.

3. Project Description

The project has two components: (i) payment of current salaries and (ii) technical assistance to core directorates in the Ministries of Finance and Civil Service. To this end, in a sequenced manner, the project will (i) update HR and payroll databases with the view to lay the ground for an improved civil servant’s management system; including the integration of the civil service files and payroll into a single computerized database; (ii) finance current salaries of civil servants upon production of presence certificate on the job; (iii) strengthen the revenue-generating Directorates as to enable the government to gain additional fiscal space; and (iv) re-establish basics control over the expenditure chain and cash management.

Proceeds of the project will not be used to pay salaries arrears, pensions, military and other security and defense forces. This category will be covered by Government’s own resources as well as by resources made available by other development partners. The project components are designed with a view to (i) complementing each other, (ii) strengthening of the country’s public financial management system and; (iii) establishing synergies with support provided by other multilateral and bilateral partners.

Project Components

Component 1: Payment of current salaries (US$27.5 million). This component aims to pay civil service salaries in civilian sectors (excluding the security forces and police). Payment of salary and pension arrears will be covered by Government resources when the fiscal space permits. This component includes two subcomponents: (a) update of the HR and payroll databases; and (b) payment of the current salaries to eligible civil servants. The payment of salaries will be made to staff if they have re-authenticated themselves as being validly on the payroll while continuing to update the payroll database and strengthening the system. This will be done by the production of presence certificate, “Attestation de presence” for each staff. These certificates aim to ascertain that the staff is still in the country and is available to resume work in its line ministry (particularly health, education and finance) either in Bangui or at identified locations depending on the security situation. A process will be established to handle disputed cases, but these will not prevent the payment of staff validly on the payroll. To ensure success of the presence certificate procedure, a communication campaign will be conducted in the appropriate media. In order to speed up implementation, the payroll clean-up is being processed prior to Board approval with UNDP which has prior experience of the systems in CAR. Given the emergency, Government intends to pay two months of salary to calm the fragile situation using resources already disbursed by ECCAS (mainly from Angola and Republic of Congo). Based on the scenario whereby existing donor commitments would be honored (from ECCAS, IMF, WB, UNDP, and France) the authorities should have enough resources, including the present operation, to cover civilian and military payroll for a period of at least nine months. It is expected that, the sound basic internal control procedures in the payroll process will encourage other donors, to cover additional months of salaries and recurrent costs through budget and investment support.

Subcomponent 1.1: update of the HR and payroll databases (US$500,000). This subcomponent aims to update HR records and payroll databases. This will allow for (i) elimination of ghost workers and, (ii) reclassification of retired civil servants in the appropriate pension database. In the next steps, the update will incorporate new civil servants, such as the primary teachers “vacataires” (previously
financed by the Bank-funded education project under way before the crisis). The verification process will contribute to update wage arrears accumulated over years. The secure ID card for civil servants distributed in 2007 and the banking payroll initiated in 2009 will facilitate the updating of databases. This component will be implemented by UNDP which will assist government departments in the update of the databases with the view to lay the ground work for more ambitious civil service reforms and modernization of the systems. A clear communication strategy will also be formulated and rolled out to inform civil servants to the procedures and steps for updating the HR and payroll databases.

Subcomponent 1.2: payment of the salaries of eligible civil servants excluding the military and police (US$27 million). This subcomponent supports the definition of eligibility criteria and the payment procedures that will be channeled from the Central Bank to commercial banks to the extent possible given the limited coverage of the banking network in the country. UNDP in collaboration with the relevant Directorates of the Ministry of Finance will assist in the payment process. The General Inspectorate of the Ministry of Finance, which has some experience and reasonable capacity, will verify the continued physical presence of staff in the workplace on a sample basis. With the resources allocated, the project would finance four months of civil servant salaries in non-security sectors.

Component 2: Technical assistance to core directorates in the Ministries of Finance and Civil service (US$1.5 million).

This component aims to equip core Ministry of Finance (MoF) and Ministry of Public Service directorates with a minimum capacity for a better revenues collection including treasury management, budget execution and transparency. The Bank will seek additional resources through Trust Fund to scale up the impact of these activities and to resume the PFM and civil service reforms agenda as to enhance the sustainability of the operation and progressively move from emergency support towards the state building agenda.

The component includes three subcomponents: (a) Technical Assistance in a targeted number of MoF Directorates (Customs, Taxes, Treasury and Public Accounts, Budget and Information Systems) and HR Directorate in the Ministry of civil service, (b) equipment support for strengthening the institutional capacity of the Directorates of customs and taxes, and (c) support to the PFM reform unit.

Subcomponent 2.1: Technical assistance for the Directorates of Customs, Taxation, Treasury and HR (US$750,000). The purpose of this subcomponent is to have a targeted number of Directorates in the Ministry of Finance in good standing to undertake basic functions related to the effective and transparent management of public funds. This subcomponent will leverage reforms initiated as part of Bank’s previous operations in the areas of budget preparation, and reporting, and treasury management. The selection of the Directorates is made to complement the ongoing technical assistance from other donors (France, EU, and AfDB). The Bank focus as mentioned would be on the revenue-generating Directorates and Public Treasury with a view to improving revenue mobilization, cash management and reinforcing budget preparation and execution procedures so as to restore budget discipline. Technical assistance provided to the HR Directorate will kick off the work towards sustainable Civil Service Reform. This subcomponent will be implemented over 18 months by a consulting firm and will include on the job training on new procedures, systems and techniques.

Subcomponent 2.2: Equipment of the Directorates of Customs, Taxation and Treasury (US
The purpose of this subcomponent is to equip the above-mentioned Directorates with IT equipment that will contribute to monitoring revenues. More specifically, the Ges’Co application software will be restored with the objective of increasing transparency in public finances. In addition, the project will provide institutional support to CS REF so as to equip this entity with the expertise-appropriate skills needed to oversee the country’s economic and PFM programs. The sub-component will also initiate the strengthening of these directorates.

Subcomponent 2.3: Support to PFM reform unit (Cellule de Suivi des Réformes Economiques et Financières) and project operating costs (US$ 250,000). The purpose of this subcomponent is to provide institutional support to CS REF as to properly oversee the implementation of the government economic program and the joint fiduciary framework including the proposed project coordination. The audit of the project will also be financed under this component.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)
A phased approach will be adopted starting in Bangui and moving progressively, as security improves, into provinces.

5. Environmental and Social Safeguards Specialists
Emeran Serge M. Menang Evouna (AFTN1)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Environmental Assessment OP/ BP 4.01</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Physical Cultural Resources OP/ BP 4.11</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>Yes</td>
<td>Some of the civil servants will be delivering services (e.g. health and education) in areas where Indigenous Peoples (Baaka) are present. Therefore OP 4.10 (Indigenous Peoples) is triggered and an Indigenous Peoples Planning Framework (IPPF) will be prepared, consulted upon and disclosed during project implementation, drawing on frameworks prepared in the last several years for the Health System Support and the Education for All-Fast Track Initiative (EFA-FTI) Catalytic Fund Preparation projects. The Operations Manual will include guidance on implementing the policy in a manner that is culturally appropriate and which involves outreach to and free, prior and informed</td>
</tr>
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</table>
**II. Key Safeguard Policy Issues and Their Management**

**A. Summary of Key Safeguard Issues**

<table>
<thead>
<tr>
<th>Safeguard Issue</th>
<th>Triggered</th>
</tr>
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<tbody>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>No</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
</tr>
</tbody>
</table>

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Some of the civil servants will be delivering services (e.g. health and education) in areas where Indigenous Peoples (Baaka) are present. Therefore OP 4.10 (Indigenous Peoples) is triggered.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An Indigenous Peoples Planning Framework (IPPF) will be prepared, consulted upon and disclosed during project implementation, drawing on frameworks prepared in the last several years for the Health System Support and the Education for All-Fast Track Initiative (EFA-FTI) Catalytic Fund Preparation projects. The Operations Manual will include guidance on implementing the policy in a manner that is culturally appropriate and which involves outreach to and free, prior and informed consultations with indigenous communities on services to their communities.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

N/A

**B. Disclosure Requirements**

**Indigenous Peoples Development Plan/Framework**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Date of receipt by the Bank</td>
<td>01-Jun-2014</td>
</tr>
<tr>
<td>Date of submission to InfoShop</td>
<td>01-Jun-2014</td>
</tr>
</tbody>
</table>

"In country" Disclosure

Comments:

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the
respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level

<table>
<thead>
<tr>
<th>OP/BP 4.10 - Indigenous Peoples</th>
</tr>
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<tbody>
<tr>
<td>Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The World Bank Policy on Disclosure of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have relevant safeguard policies documents been sent to the World Bank's Infoshop?</td>
</tr>
<tr>
<td>Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All Safeguard Policies</th>
</tr>
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<tbody>
<tr>
<td>Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?</td>
</tr>
</tbody>
</table>

| Have costs related to safeguard policy measures been included in the project cost? | Yes [ ] No [ ] NA [ × ] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [ ] No [ ] NA [ × ] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [ ] No [ ] NA [ × ] |

III. APPROVALS

<table>
<thead>
<tr>
<th>Task Team Leader:</th>
<th>Name: Kolie Ousmane Maurice Meg</th>
</tr>
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<table>
<thead>
<tr>
<th>Approved By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Safeguards Advisor:</td>
</tr>
<tr>
<td>Sector Manager:</td>
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</table>