Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 04/16/2020 | Report No: ESRSA00657
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
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<td>AFRICA</td>
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**Project Name**

Digital Cabo Verde

**Practice Area (Lead)**

Digital Development

**Financing Instrument**

Investment Project Financing

**Estimated Appraisal Date**

4/6/2020

**Estimated Board Date**

6/15/2020

**Borrower(s)**

Ministry of Finance

**Implementing Agency(ies)**

Secretary of State for Innovation and Technical Training at Government of Cabo Verde

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**Proposed Development Objective(s)**

To enable the Government of Cabo Verde to strengthen its digital competitiveness foundations and improve the provision of public digital services.

**Financing (in USD Million)**

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**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The proposed Digital Cabo Verde Project will support the GoCV’s strategy to accelerate digital transformation of the country, raising its competitiveness as digitally-enabled services-led economy and attracting further private investments by focusing on three of the four key enablers (or foundations) articulated in the PEDS (as the Cabo Verde Techno Park is already under construction): Digital Skills; Collaboration, Regulation and Legislation; and Digital Platforms. To achieve its objectives, the proposed project will seek to (i) improve the enabling legal and regulatory
environment for a vibrant, safe and inclusive digital economy; (ii) strengthen its competitiveness through better connectivity, skills and innovation; and (iii) boost digital public services and marketplaces.

Component 1: Enabling Legal and Regulatory Environment (US $6 million)

This component will support the GoCV in improving the legal and regulatory environment for a vibrant, safe and inclusive digital economy.

(a) Subcomponent 1.1: Foundational and forward-looking ICT policies and regulations (US $2 million). This subcomponent will include technical assistance and capacity-building focused on telecommunications / broadband market regulations. It will strengthen ARME’s capacity to manage and continuously monitor the quality of service for fixed broadband Internet and mobile networks, release frequencies for mobile broadband, and establish regulation sandboxes to foster innovation in applications enabled by 5G and other emerging technologies. These measures become particularly important in the context of COVID-19 pandemic, which puts a significant strain on broadband networks, and are expected to make GoCV better prepared to respond to similar external shocks in the future. More specifically, it will comprise the following:

- Regulatory impact assessment. Technical assistance to perform a diagnostic of the effectiveness of regulatory tools and instruments in the form of a Regulatory Impact Analysis (RIA) as a systemic approach to critically assess positive and negative effects of existing regulations and non-regulatory alternatives. This subcomponent will provide a diagnostic of operators’ existing coverage obligations and of the ARME’s capacity to monitor and enforce them. It will also provide recommendations and support to ARME in implementing relevant ex ante wholesale regulations for the broadband sector.
- Scenario analysis for sustainable 5G deployment. This activity will support the development of Proof of Concepts and effective partnership models with the private sector to roll-out 5G in an energy efficient manner. More specifically, it will help develop policies, laws/regulations and partnerships for the use of alternative energy, such as solar, to power 5G networks. It will also ensure that energy efficient measures, such as graduated sleep modes, are activated in 5G networks to selectively turn off one or more network devices in the absence of traffic. The ability to do this with 4G/LTE technology was limited due to the design of its radio interface. Conversely, 5G enables certain parts of the radio frequency stage and the digital part of antennas to be put into sleep mode, allowing for an energy saving of around 70 percent, which is critical for an island economy like Cabo Verde.
- Technical assistance to establish regulation sandboxes to pilot innovation in 5G and applications enabled by other emerging technologies.

(b) Subcomponent 1.2: Trustworthy digital pre-requisites: Cybersecurity and data protection (US $2 million). This subcomponent will support the development of national plans, in line with identified standards and best practices, for cybersecurity (based on the findings and recommendations of the 2019 Cyber Security Capacity Review) and data protection / privacy. The overarching objective is to ensure the preparation of enabling policies and regulations as well as adequate enforcement procedures to enhance trust in data transactions in the country, proven critical in the wake of COVID-19 crisis. More specifically, this subcomponent will finance the following:

- Technical assistance for the implementation of the Cybersecurity Policy and Strategy, which covers data privacy and protection, data flows, cybersecurity legal framework, regulations and enforcement, freedom of information, and intellectual property;
- Technical assistance focused on data as infrastructure with an aim of developing policies governing the collection, storage, sharing, analysis, and management of data in Cabo Verde aligned with international best practices.
Subcomponent 1.3: Institutional structure and capacity (USD 2 million). This subcomponent will support the GoCV’s efforts in reforming two key public stakeholders in the country, with a focus on the following:

- Operationalization of NOSi 2.0 as a technology product manager, released from the ownership of digital infrastructure assets and related responsibilities. This activity will include the provision of:
  - Technical assistance to conduct technical, legal and financial audits of NOSi’s legacy systems and infrastructure, including the financial asset valuation and the development of recommendations with various options for the effective management of the digital access network;
  - Technical assistance to develop a new Human Capital Strategy and Management Model designed to support NOSi’s transformation into a more agile and competitive organization, fully equipped to monitor and interact with its employees, customers, suppliers and private sector partners in real time.
- Repositioning of CVT through the provision of technical assistance to accompany the GoCV during the implementation of CVT’s functional separation, which has already been initiated, with a focus on exploring possible financing options and next steps. Technical assistance will also be provided to the GoCV in monitoring effective implementation of functional separation.

Component 2: Digital Competitiveness (USD 13.7 million)

This component aims to better equip individuals and businesses across the country to be more competitive in the digital economy job market and to spur innovation and productivity growth. To this end, this component will support the GoCV’s efforts to strengthen key enablers of a dynamic and competitive digital economy with a focus on digital connectivity, skills and entrepreneurship.

(a) Subcomponent 2.1: Digital connectivity for education (USD 3 million). The ongoing reform of the Ministry of Education (MoE) places a high priority on the use of technology to improve the effectiveness and efficiency of service delivery as well as enhance the quality of education. This becomes particularly critical as the education system is impacted by the closures of all education establishments during the COVID-19 pandemic, resulting in an overwhelming recognition of the need for effective distance learning empowered by digital technologies. It is expected that improved Internet access and increased bandwidth in schools will enable the access to and the use of online education platforms and learning materials – the only available channels of learning during the general lockdown. Henceforth, this subcomponent will finance the following:

- Technical assistance to conduct a feasibility study and prepare bidding documents to purchase additional broadband capacity for primary and secondary schools. Based on the feasibility study and available budget, efforts will be made to connect as many primary and secondary schools as possible, while prioritizing schools that will host WebLabs and those in rural and remote areas that are yet to be connected.
- Technical assistance to support the implementation of the signed contract with authorized operators for the supply of the additional bandwidth to schools. Combined with the reforms undertaken by the GoCV to strengthen the competitiveness of the telecommunications/ICT sector, this bidding is expected to contribute to decreasing broadband prices in the country.

(b) Subcomponent 2.2: Digital skills (USD 5.7 million). Under this subcomponent focused on the competitiveness of the human capital in Cabo Verde, two main types of digital skillsets are to be prioritized: (i) intermediate digital skills of the youth and general workforce; and (ii) intermediate and advanced digital skills of civil servants and ICT
professionals (support to improve basic digital skills is expected to be covered under a future WB project on Human Capital). Specific activities to be supported include the following:

- Development of the National Digital Skills Framework and Action Plan with a strong focus on measures to equip the Cabo Verdean youth with skills in high demand by the private sector.
- Implementation of WebLabs II, which will be an expansion of WebLabs I with new activities aimed at improving program’s reach, sustainability and its integration in the formal education system with an expected number of beneficiaries reaching 25,000 (including students of grades 5-12 and out-of-school youth). Under WebLabs II, the project will support the expansion of WebLabs to all remaining 44 clusters that comprise primary schools. Depending on the location of schools, some of the new WebLabs may be designed to be mobile so that they could rotate locations and reach a wider range of beneficiaries. In addition to the purchase of equipment and other supplies for the 44 new laboratories, the project will support the operating costs of all 87 WebLabs to offer courses in intermediate digital skills for both in-school and out-of-school youth. The courses to be implemented under WebLabs II will be based on the evaluation of WebLabs I results, demand for existing courses and private sector needs. Importantly, under WebLabs II, stronger focus will be given to ensuring increased participation of girls with an aim to raise the percentage of female beneficiaries from 37 percent under WebLabs I to at least 42 percent under WebLabs II.
- Strengthening of collaboration and synergies between key public sector players - NOSi and MoE. To this end, an interagency agreement will be signed. Additionally, NOSi staff will (i) help MoE develop a new ICT curriculum for grades 5-8; and (ii) provide training to ICT teachers, upgrading their skills and enabling them to deliver courses similar to those offered by WebLabs in the future.
- Development and implementation of courses focused on intermediate and advanced digital skills for civil servants and ICT professionals involved on Cabo Verde’s digital transformation by either the NOSiAkademia or through partnerships with the private sector and other service providers to crowd-in knowledge, content and programmatic support.
- Funding of PHDs in key technical areas, such as computer science, artificial intelligence, and big data.

(c) Subcomponent 2.3 Digital innovation and entrepreneurship ecosystem (USD 5 million). Building upon Digital Cabo Verde program, this subcomponent will contribute to reinforcing Cape Verde’s digital programs to support startups, particularly those most affected by the unfolding global economic crisis, in scaling their businesses and accessing global market. More specifically, this subcomponent will include the following:

- Technical assistance to conduct a startup ecosystem mapping, i.e. a diagnostic of weaknesses, opportunities and gaps of currently active intermediaries and enablers (incubators, chambers of commerce, co-working spaces, etc.) to better understand the type of support they provide, the quality and adequacy of services, their sustainability, impact and any existing gaps.
- Technical assistance to support digital skills and talent development of start-ups. In addition to capacity building envisioned under Component 2.2, complementary interventions to promote digital entrepreneurship culture and talent could be implemented in collaboration with international organizations with strong know-how and a solid track-record in these initiatives. Some of the programs to be supported could include (to be prioritized further based on the ongoing discussions with the GoCV):
  - Digital bootcamps, hackathons and challenges to boost capacity building of new and early-stage digital entrepreneurs, such as Code for All, Cabo Verde ICT Talent Plan 2020, SandBox Hackathon, etc.;
  - Programs to attract ICT talents from the diaspora (SikaBadu);
  - National and regional networking events and workshops, such as GoGlobal in WebSummit, CVD Innovation Award, and Community Building Platforms.
- Technical assistance in the form of advisory services to establish the Atlantic Innovation Fund (AIF) to boost early-stage financing available to entrepreneurs (already scarce but shrinking even further as a result of COVID-19 crisis). More specifically, the AIF will support the establishment of appropriate mechanisms to mobilize investments for MSMEs, particularly those in the ICT sector. The AIF will seek to achieve two objectives: (i) leverage private funding through creative financing tools (direct cash or in-kind private sector contribution, equity participation, projects bounds, etc.) and enable access to finance for MSMEs in the ICT sector; and (ii) stimulate job creation and facilitate economic diversification through incubation services. The activity will finance the studies and consultations necessary to establish the Fund and its governance framework. It will also finance the fund-raising mechanisms to complement government seed money with private investment.

Component 3: Digital Public Services and Marketplaces (USD 9 million)

This component will support activities designed to boost the GoCV capacity to better deliver digital public services in government-to-government (G2G), government-to-business (G2B) and government-to-citizen (G2C) domains. To that end, it will help transform and update the existing government information systems for enhanced back office and service delivery, while enabling the scalability of selected cloud-based services and introducing new relevant business models in collaboration with the private sector. Under this component, the team will aim to identify opportunities for the rollout of some “quick wins” that can be launched in parallel to demonstrate tangible results for citizens throughout project implementation.

Digital public platforms to be considered for the upgrade and/or integration include: (i) Single External Trade System – JUCE, which will aim to integrate information databases of various external trade players; (ii) e-Embassy (or Digital Consulate), digitizing databases of all embassies and consulates and making their services available online, thus facilitating the lives of Cabo Verdeans abroad; (iii) Cloud Blockchain Platform that involves updating various legacy systems of the public administration to blockchain technology; (iv) Integrated e-ID, based on the full consolidation of databases of the national system of identification and civil authentication (Sistema Nacional de Identificação e Autenticação Civil, SNIAC), registries and voters; (v) Digital governance plan, aimed at supporting the implementation of various modernization actions by the public administration with priority given to digital public services, research and development, innovation and human resources empowerment; (vi) Property platform for creative industry, which will contribute to the collective sustainability and protection of Cabo Verde’s cultural heritage through the provision of financial support to the appropriate registering, protection, promotion and monetization of national cultural products in compliance with international standards; and (vii) Digital one-stop shop for investors and people looking to do business in Cabo Verde, particularly aimed at attracting international investment from the diaspora.

Component 4: Project Implementation Support (USD 1.3 million)

This component will provide support to both overall and fiduciary project implementation units for the management and implementation of project-associated activities. This component will finance activities related to project management, including project coordination, procurement, financial management, monitoring and evaluation, project communication, citizen engagement, and environmental and social safeguards. This component will also provide support for covering office equipment, incremental operating costs, and independent audits. Moreover, it will aim to finance additional staff required for overall project implementation as well as staff specifically assigned to carry out fiduciary activities. This includes the recruitment of an individual digital economy project coordination advisor for the National Directorate of Telecommunications and Digital Economy (DGTED) under the Ministry of Finance (MoF), a
project manager as well as safeguards, procurement and financial management specialists assigned to the fiduciary Project Implementation Unit (PIU), also known as the Special Projects Management Unit (Unidade de Gestão de Projetos Especiais - UGPE). Special attention will be devoted to promoting women’s equal participation in all decision-making bodies under the project and contributing to tackling barriers in their recruitment, retention and promotion.

Component 5: Contingent Emergency Response Component” (US$0 million)

In the context of a rapidly developing COVID-19 emergency, a fifth Contingent Emergency Response Component (CERC) is added to the project structure to allow for quick disbursement of uncommitted balances as a crisis response measure. This will have an initial zero value but may be financed during the implementation of the project to allow for agile response to emerging events, with funds redirected from other components. Including CERC at the preparation stage, albeit with zero funding, provides for flexibility to respond to an imminent or actual emergency (such as COVID-19). The crisis response expenditures could cover, for instance, the facilitation of emergency humanitarian payments to vulnerable groups of population using mobile money or ensuring the business continuity of core government functions, when civil servants are required to continue home-based work, or supporting MSMEs, particularly the most affected ones, to address their immediate liquidity challenges, reduce layoffs, and avoid bankruptcies.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The Cape Verde Islands are situated in the eastern Atlantic, about 500 km west of Senegal in West Africa. The archipelago consists of 10 islands (nine of which are inhabited) and several uninhabited islets. Cabo Verde’s population is growing at an average annual rate of 1.5 percent, which, combined with natural, landscape, and cultural conditions (that through tourism connect the archipelago to the outside world) explain the importance of biodiversity conservation in the country in all its aspects, genetic, specific, taxonomic, ecological and functional. Apart from ecological importance, this biodiversity supports all economic activities, particularly: (i) agriculture, forestry and livestock; (ii) fishing; (iii) seaside and beach tourism; (iv) water, recreational and leisure sports; and (v) ecotourism/nature tourism.

Overall, the economy remains service-oriented, largely dominated by tourism that leverages Cabo Verde’s year-round attractive weather, stable democracy, limited security risks, and proximity to Europe. However, the weight of tourism on the economy, at 45 percent of the gross domestic product (GDP) and 40 percent of employment, remains a source of vulnerability and signals a need for diversification. This task is particularly challenging in the context of the islands’ territorial fragmentation and population dispersion that limit economies of scale, creating significant connectivity challenges and preventing the cost-effective integration of the domestic market. These vulnerabilities have been worsened considerably by the threat of the 2020 coronavirus (COVID-19) global pandemic, which poses significant downside risks to the outlook of the small, island economy of Cabo Verde.
There is shared understanding that diversification within and beyond the tourism sector is critical to support Cabo Verde’s economic development, and that digital transformation could play a vital role in it, particularly in the wake of the COVID-19 pandemic. The GoCV has been steadily developing its Information and Communication Technology (ICT) sector, aiming to accelerate economic growth, expand job opportunities and improve service delivery and quality. Promoting digital transformation and positioning Cabo Verde as a digital hub capable of supporting business-outsourcing and back office operations, software development, and cloud hosting are considered critical for the achievement of broader objectives set by the Strategic Plan for Sustainable Development 2017–2021 (Plano Estratégico de Desenvolvimento Sustentável, PEDS).

The project will be implemented at the national level. During the concept phase of this project, a fiber optic line was planned, but the Cape Verdean government decided to privatize this part of it. The proposed Digital Cabo Verde Project will support the GoCV’s strategy to accelerate the digital transformation of the country, raising its competitiveness as a digitally-enabled, service-led economy, and attracting further private investment by focusing on three of the four key enablers (or foundations) articulated in the Plano Estratégico de Desenvolvimento Sustentável (PEDS) (as the Cabo Verde Techno Park is already under construction): Digital Skills; Collaboration; Regulation and Legislation; and Digital Platforms. To achieve its objectives, the proposed project will seek to: (i) improve the enabling legal and regulatory environment for a vibrant, safe and inclusive digital economy; (ii) strengthen its competitiveness through better connectivity, skills and innovation; and (iii) boost digital public services and marketplaces.

Since the project aims to support institutional transformation to improve digital access in Cabo Verde, the project is not expected to include any civil works. Therefore, no sensitive environmental and social features would be impacted.

D. 2. Borrower’s Institutional Capacity

The Ministry of Finance (MoF) will be the Agency responsible for leading the overall implementation of this project, through specifically the Department of Telecommunications and Digital Economy (DGTED), under the Secretary of State for Innovation and Professional Training. Within the MOF, a fiduciary Project Implementation Unit (PIU), also known as the Management Unit for Special Projects (Unidade de Gestão de Projetos Especiais, UGPE), will hold project implementation fiduciary responsibility. The UGPE has prior experience with World Bank investment projects and has already applied the Bank’s new Environmental and Social Framework (ESF). UGPE staff have had from several rounds of training in World Bank Operational Policies and, more recently, on the ESF. To date, a senior E&S consultant has been coordinating E&S aspects of the Bank-financed projects. Given the growing number of World Bank-financed operations, the UGPE is currently recruiting a full time Environmental & Social Specialist, who will be responsible of managing and supervising the projects’ overall E&S aspects, including the Cape Verde Digital project. No significant environmental and social risks and impacts are anticipated through project’s implementation. The government has adequate legal and institutional frameworks to assess and manage E&S risks and impacts. Nonetheless, ad hoc training and capacity building interventions will be provided to the Borrower to strengthen Cabo Verde’s national capacity to identify and manage E&S risks, including risks related to GBV/SEA/SH.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)  

| Environmental Risk Rating | Low |

Environmental Risk Rating  

Low
The environmental risk classification (ESRC) for the Project is low under the World Bank ESF because there are negligible or minimal environmental risks associated with the project and negligible impacts likely to be generated from the project activities, which include proposed financial digital reform to update legal and other regulations, and technical assistance, including the financing of equipment and materials.

The project will be of nationwide benefit, improving digital access and compliance through institutional strengthening and capacity building. It will not finance any infrastructure that could conceivably result in any adverse environmental impacts.

**Social Risk Rating**

Low

The social risk level for this project is also deemed low. The project focuses on providing the Borrower with technical assistance to improve its regulatory and digital skill capacity, including developing digital platforms. It is anticipated that, through the expansion of access to digital services and innovative digital ecosystems, including in the educational, entrepreneurial and public spheres, the project will result in positive social impacts, both at individual and community levels. Nonetheless, infrastructure barriers and gender-based stereotypes could hinder access to the project’s digital benefits for specific groups, such as by preventing disabled people and adolescent girls and young women (AGYW) from accessing the WebLab II. Specific vulnerable and/or disadvantaged individual/groups, such as the elderly, the unemployed, illiterate people, and populations living in remote and isolated areas, might also face challenges in accessing the project’s benefits, including in accessing the digital services proposed. In addition, bringing access to the web into schools might expose students to unintended cyber risks, such as cyber predators and cyberbullying. As the project will not invest in civil infrastructure, it will not lead to land acquisition resulting in physical and/or economical displacement and labor influx concerns.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

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

*Overview of the relevance of the Standard for the Project:*

The expected environmental and social impacts of the project will be generally positive. The Project will not finance civil engineering works that can induce risks and/or negative environmental and social impacts. Thus, no key environmental and social risks related to physical and geographical issues, biodiversity, land access, occupational and community health, and cultural heritage, have been identified.

A preliminary social screening exercise identified those individuals and groups that might be more vulnerable/disadvantaged in accessing the project’s benefits. Among them: the elderly, individuals/families with financial constraints, disabled people, AGYW, the unemployed, people who are illiterate, and populations living in remote and isolated areas. When it comes to gender, results from the first WebLab experience show that more male students tend to participate in this program. Indeed, in 2019, just 36 percentage of girls participated in the program compared to 64 percent of boys. In addition, as part of overall social risk screening, a preliminary Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) assessment has been conducted, resulting in low SEA/SH risks. The project’s activities are not expected to result in any major Sexual Exploitation and Abuse impacts. With regards to contextual SEA/SH risks, in Cabo Verde, intimate partner violence (IPV) and sexual violence are lower than the regional average. There is also a low prevalence of child marriage. At the institutional level, the government of Cabo
Verde has adopted a number of different instruments to protect survivors and combat gender-based violence (GBV), including a national plan to combat gender-based violence (GBV), and laws on domestic violence, sexual harassment and marital rape.

The project will implement a set of measures to address the identified social risks. It will adopt specific measures to ensure vulnerable/disadvantaged groups/individuals will fully benefit from the project’s interventions and actively participate in its planning and development. Specifically, inclusive access to broadband services, affordability for end users, and people’s awareness and improvement of digital skills will be considered throughout the project’s planning and implementation. Universal access will be granted for new WebLabs and specific measures integrated to strengthen the participation of female students and girls in WebLabs II. To address the gender gaps in accessing the WebLab initiative, in WebLabs II, a stronger focus will be given to ensuring the increased participation of girls, with the aim of raising the percentage of female beneficiaries from 37 percent under WebLabs I to at least 42 percent under WebLabs II. To address the cyber risks, the project will also ensure that digital access at school level will be properly monitored and restricted to learning purposes to avoid student exposure to unsafe and inappropriate content and dangerous online environments. Finally, the project will implement a package of measures to address SEA/SH risks that might surface during the project’s implementation. This includes: sensitize the Borrower on SEA/SH; map out GBV prevention and response actors in communities adjoining the project; develop a GBV-sensitive GRM with specific procedures for SEA/SH, including confidential reporting with safe and ethical documenting of SEA/SH cases; and define the SEA/SH requirements and expectations in the bid documents, including the obligation for all workers to sign code of conducts (CoC) which address SEA/SH.

The project has prepared a draft Environmental and Social Commitment Plan (ESCP) that summarizes the material measures and actions for the project to meet the ESS requirements. It outlines the agreed measures and actions between the Borrower and the Bank, with the timeline for completion and responsible parties. To cover the requirements of ESS10, a draft Stakeholder Engagement plan (SEP) and a Grievance Redress Mechanism (GRM) have been prepared. The Borrower will also prepare Labor Management Procedures (LMP) in line with ESS2 requirements. Given the project’s low environmental and social risks ratings, the LMP will be finalized, consulted upon, and disclosed in-country and on the World Bank’s website after Board Approval and prior to project effectiveness.

ESS10 Stakeholder Engagement and Information Disclosure

The Borrower has prepared a draft Stakeholder Engagement Plan (SEP) consistent with ESS10 requirements, which will be disclosed before appraisal. The SEP has identified the project’s main stakeholders, including the project’s partners, beneficiaries, affected peoples, and other interested parties. Among the main stakeholders, specific vulnerable groups, such as Women, youth, people living with disabilities, low income communities, and the elderly young people, etc.) have been identified as well. Considering the current context of the COVID-19 pandemic, precautionary measures are necessary to contain the spread of the disease when disseminating project information. Current outreach modalities include: small-group sessions, such as focus group meetings, when permitted; social media and online channels, such as dedicated online platforms and chatgroups; traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, and mail), especially when access to online channels is not granted or is not the preferred communication channel. Outreach and engagement measures will be constantly
adjusted to accommodate government precautions and requirements. The Bank will also continue advising the client on various approaches to engage stakeholders without raising medical risks.

The SEP includes differentiated measures to allow the effective participation of, and communication with, disadvantaged and vulnerable groups. Stakeholder engagement will be an integral part of project planning and will continue throughout implementation to ensure that stakeholders are informed about the project’s status and can continue contributing and participating in its implementation. The stakeholder engagement is conducted on the basis of timely, relevant, understandable, and accessible information. The SEP also includes a Grievance Redress Mechanism (GRM) to handle complaints by project-affected people regarding adverse temporary or permanent project impacts. The GRM integrates GBV-sensitive measures, including multiple channels to initiate a complaint mechanism and specific procedures for SEA/SH, such as confidential and/or anonymous reporting with safe and ethical documenting of SEA/SH cases.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is currently assessed as relevant as the Project will require the recruitment of direct workers (PIU worker and technical assistant). The project will be mainly implemented by staff from the Ministry of Finance (Government Civil Servants) and professional consultants (hired as contracted workers). Activities under the Project are not expected to have any negative impact related to labor and working conditions. Most roles envisaged will be highly technical. There are no expected primary supply workers or community.

The project LMP will clarify that: a) civil servants are bound by their labor contracts, but the project will also ensure they meet ESS2 requirements regarding child labor, forced labor and OHS; and b) all workers must meet the above requirements regarding child labor, forced labor and OHS, as well as measures to establish written labor management procedures and ensure clear proper working conditions, non-discrimination, equality of opportunity, and the right to form workers’ organizations. The LMP will also include a GRM for labor-related complaints and will allow workers to quickly inform management of labor issues. A Code of Conduct (CoC), including provisions for addressing SEA/SH and prohibitions against sexual activity with anyone under the age of 18, will be developed and signed by all workers.

ESS3 Resource Efficiency and Pollution Prevention and Management

This ESS is not relevant as the project’s activities and components are not expected to result in any pollution issues. Indeed the project does not expect to finance any civil works or other activity that will involve the use or production of chemical products, or development and emissions of hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts.

ESS4 Community Health and Safety
This ESS is not relevant as the project’s activities and components are not expected to result in any issues related to community health and safety.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
ESS5 is not relevant as no construction works are planned for this project, and thus land acquisition and involuntary resettlement is not envisaged.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
This ESS is not relevant, as the project’s activities and components will not have any impact on the biodiversity and natural resources.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
ESS7 is not relevant, as there are no IP/SSAHUTLCs in the project area.

ESS8 Cultural Heritage
ESS8 is not relevant, as the project’s activities and components are not expected to cause any harm to cultural heritage.

ESS9 Financial Intermediaries
ESS9 is not relevant. There are no specific activities related to Financial intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
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<th>DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED</th>
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<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td>12/2020</td>
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ORGANIZATIONAL STRUCTURE: The Ministry of Finance shall establish and maintain a PIU with qualified staff and resources to support management of environmental and social risks and impacts of the Project.
**ESS 10 Stakeholder Engagement and Information Disclosure**

**STAKEHOLDER ENGAGEMENT PLAN:** Prepare, disclose, adopt, and implement a Stakeholder Engagement Plan (SEP) consistent with ESS10, in a manner acceptable to the Association.  

| ESS 2 Labor and Working Conditions |  
| Finalize, adopt, and implement the Labor Management Procedures (LMP) |  

| ESS 3 Resource Efficiency and Pollution Prevention and Management |  
| ESS 4 Community Health and Safety |  
| ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement |  
| ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources |  
| ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities |  
| ESS 8 Cultural Heritage |  
| ESS 9 Financial Intermediaries |  

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

**Areas where “Use of Borrower Framework” is being considered:**

The operation will not use the Borrower’s E&S Framework in the assessment, development and implementation of subprojects. The project will comply with relevant national legal requirements.

**IV. CONTACT POINTS**

**World Bank**

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