Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 03/30/2020 | Report No: ESRSA00583
**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>
</tr>
</thead>
<tbody>
<tr>
<td>Djibouti</td>
<td>MIDDLE EAST AND NORTH AFRICA</td>
<td>P171777</td>
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</table>

**Project Name**

Economic Management and Statistics Development for Policy Making

**Practice Area (Lead)**

Macroeconomics, Trade and Investment

**Financing Instrument**

Investment Project Financing

**Estimated Appraisal Date**

3/25/2020

**Estimated Board Date**

4/30/2020

**Borrower(s)**

Republic of Djibouti, National Institute of Statistics of Djibouti

**Implementing Agency(ies)**

Ministry of Budget, Ministry of Economy and Finance in charge of Industry

**Proposed Development Objective(s)**

To strengthen the capacity of the National Institute of Statistics of Djibouti (INSD) to produce and disseminate timely and reliable statistics in a sustainable manner and modernize the Government's selected economic and fiscal management tools and processes in Djibouti.

**Financing (in USD Million)**

<table>
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<tr>
<th>Amount</th>
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<td>15.00</td>
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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 project is structured into three components. They are:

(i) Strengthening the capacity of the National Institute of Statistics of Djibouti (INSD) to produce and disseminate timely and reliable statistics. This component has two subcomponents: the Setting up of the National Institute of Statistics of Djibouti (INSD) and strengthening statistical production and dissemination. The first subcomponent will upgrade the working conditions in the INSD with the financing of the construction of a building with modern
characteristics and information and communications technology (ICT) system, the upgrading of the HR policy and provision of training. The second subcomponent on statistics will support the new National Statistical Development Strategy (2018-2022) that aims to develop a coherent statistical system, well organized, with the capacity to produce and disseminate reliable information that meets the growing needs of policy makers and public users. In general, statistical information is not readily available. The National Statistics System (SSN) produces limited data on an irregular basis, standard surveys are not conducted at regular intervals, and analytical capacity are weak making it difficult to discern major trends and their policy implications. This will include the financing of the third population census that is critical for data quality improvement, the Economic Census and household budget survey, among other activities.

(ii) Modernizing the Government’s selected economic and fiscal management tools and processes. This component has three subcomponents: macroeconomic modeling; budget preparation and investment planning, and debt management. The first subcomponent will develop macroeconomic modeling capacity for short, medium, and long-term forecasting, macroeconomic and microeconomic simulation, as well as debt sustainability analysis. The second subcomponent on budget preparation will support the Government’s commitment to transition toward performance budgeting and Medium Term Expenditure Framework (MTEF). This component will building linkages between the country’s medium-term development plan (SCAPE) and the budget, which is the country’s main policy instrument. A new budget framework, with the revision of the existing legal and regulatory framework, with the revision of a new organic law, its adoption and implementation. The third subcomponent will support public investment planning and debt management. It will support the revision of the existing public investment framework and the development of a medium term debt strategy to finance it. A debt management action plan has already been developed with WBG support. The project will support its full implementation.

(iii) Project Implementation. The Project will support the establishment and operation of a Project Management Unit (PMU) overseen by the Ministry of Finance to support coordination and manage project implementation.

D. Environmental and Social Overview
D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social] The project will be implemented nationwide with a potential environmental and social footprint limited in the urbanized area of Djibouti City. The upgrading of working conditions by funding construction activities of a new building with modern characteristics, procurement of office furniture, and enhancement of the electrical and information and communications technology (ICT) system will be the main source of potential adverse impacts and risks of the Project. The piece of land for this new building is formally assigned. it is situated in a new administrative area under development in Djibouti ville. As the project will also support the third population census, economic census and household budget survey the risk of road accidents for the census team around the country may need to be considered and also Gender Based Violence GBV.

Djibouti is characterized by a desert climate with sporadic rainfall. Rainfall rarely exceeds 200 mm per year. The rainy season or cool season often covers the period from October to April and the dry season, very hot where temperatures are generally above 40 °C in the day, extends from May to September and weighs heavily on the degradation of the environment. Djibouti city has faced extreme precipitation events these last years with flooding of many areas due to poor functioning of the storm drain drainage system and sewage system specially in the areas localized at the same level as the sea. In addition, the scarcity of water resources and their poor quality particularly in Djibouti city is a severe constraint for the population and its health.
D. 2. Borrower’s Institutional Capacity

The project will be implemented by a PMU anchored at the Ministry of Finance. During construction activities, the PMU will hire one full time Environmental and Social Specialist who will ensure environmental and social project compliance. The E&S specialist will work closely with the Civil engineer.

The PMU has limited experience and capacity in managing World Bank projects especially for managing Environmental and Social risks linked to construction works and applying WB standards.

The Environmental and Social Commitment Plan (ESCP) incorporates therefore E&S institutional capacity building measures. The Bank team will continue to provide ESF hands on training during project implementation.

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The project environmental risk classification is Moderate as most of the potential adverse risks and impacts are predictable and expected to be temporary, site specific and easily mitigated in a predictable manner. The anticipated environmental Risks/impacts are linked to activities to be funded under Subcomponent 1.1: Modernization of the National Institute of Statistics of Djibouti (INSD) by construction activities of a new building with modern characteristics, procurement of office furniture, and enhancement of the electrical and information and communications technology (ICT) system. The key anticipated risks during construction phase are related to Occupational Health and Safety hazards, construction solid wastes, construction hazardous material, noise and vibration, wastewater discharges and air quality. For the building construction, the Government has already prepared an Environmental and Social Management plan. This plan will be incorporated in the bidding documents. The contractors will prepare the Contractor ESMP prior the beginning of civil works.

Staff in charge to conduct (census agents) the third population census, economic census and household budget survey activities may be exposed to road accidents due to the increase of travels by Government vehicles or public transportation. A road safety plan will be prepared prior the launching of Third population census, economic census and household budget survey.

Social Risk Rating

The social risk of this project is deemed moderate. Subcomponent 1.1: Modernization of the National Institute of Statistics of Djibouti (INSD) will fund the construction of a new office building for the INSD. This project activity will not induce land acquisition as the site of the proposed new building is on empty barren land, and belongs to the government. Labor influx for the construction of the building is unlikely, as the labor force is likely to be Djiboutian from Djibouti Ville.

Another potential social risk is GBV, during the implementation of the census, as cash strong young males and female enumerators will be crisscrossing the country side interacting with each other and with the local populations. GBV
prevention information and sensitization sessions will be provided to enumerators as part of the census preparation training. For the above reasons, the social risks are deemed moderate.

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:*  
This standard is relevant due mainly to activities under sub component 1.1: Setting up of the National Institute of Statistics of Djibouti (INSD) by construction activities of a new modern building and equipping it. The Construction works will generate Risks/impacts that are mainly linked to construction phase and may include Occupational Health and Safety hazards, Community Health and Safety, solid waste generation, hazardous material management, noise and vibration, wastewater discharges and air quality. The building construction activities will be limited in only one geographical area. The land for the construction of the new building is already determined by the authorities. The building will be constructed in the new administrative compound in Djibouti ville, which is government owned. This new administrative area is already equipped with access roads, sewage system and urban waste collection.

The government has already prepared an ESMP for the construction phase. The ESMP has setting out all the requirements to be followed by contractors. The ESMP includes mitigation measures for key construction adverse risks and impacts, monitoring plan, capacity building and training plan and implementation schedule and budget for its implementation. More specifically, the ESMP has incorporated a code of conduct, labor guidelines including ban of child labor and GBV. The ESMP proposes also measures to prevent labor influx. The ESMP will be incorporated in the bidding documents and relevant provisions will be incorporated in the contract between PIU and the contractors. The contractor will prepare a detailed work-ESMP before any commencement of works.

The third population census activities which will cover entire country, will also generate potential adverse risks and impacts including road accidents and GBV. To prevent and mitigate such potential adverse risks and impacts, the borrower will prepare a road safety plan proportionate to the scope of the activity, at least one month prior the launching of Third population census, economic census and household budget survey and a GBV prevention action plan will be also prepared. All these documents will be reviewed by the Bank.

Other potential social risks and impacts related to project investments may include, but not be limited to: social exclusion of groups because of gender, sexual orientation, civil status, ethnicity or religion; poor management of labor in project units and for contractors and poor management of grievances and expectations.

The client has prepared a Stakeholder Engagement Plan (SEP). The SEP include other interested parties (OIPs), various beneficiaries and directly impacted persons.
ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant as the project in the different components and subcomponents will involve several stakeholders. The client has prepared a stakeholder engagement plan (SEP). The SEP includes other interested parties (OIPs), various beneficiaries and directly impacted project affected persons (PAPs), including disadvantaged and vulnerable groups. Among the Primary stakeholders the SEP has identified the following: Ministry of Budget, Ministry of Economy and Finance in charge of Industry; Institut National de la Statistique de Djibouti (INSD)/ the National Institute of Statistics of Djibouti.

Among the additional stakeholders the following were identified: neighbors to the construction site; staff member representatives and unions; representation of enterprises and employees; CSOs involved in urban planning. The ESMP includes a project-level grievance mechanism.

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

This standard is relevant as the project will use direct and supplier workers during the project implementation. The number of direct workers involved in the project activities is expected to be around 20 civil servants. Labor influx during construction is not anticipated due to the small scale of construction activities in the project. The project is likely to use local contractors, and local labor, for construction activities and the total workers necessary for the construction is not defined yet.

Regarding the the Third Population Census, economic census and household budget survey it is likely that the Project will hire temporary staff mainly for data collection around the country.

Risks related to OHS could be induced by civil works and is anticipated that these risks can be easily mitigated. Relevant OHS provisions were incorporated in the ESMP and will be closely followed during the project implementation.

The PMU has prepared a labor management procedure and each contractor will prepare specific labor management plan as needed.

The Project will support the establishment and operation of a Project Management Unit (PMU) overseen by the Ministry of Finance through a project steering committee to foster coordination and manage project implementation. There are five technical departments (INSD or the national statistical office, the Economic and Planning Department, the Budget Preparation Department, the External Financing Department, and the Public Debt Department) that will be in the charge of the implementation of most of the activities financed by the project. The technical departments will have the responsibility of the implementation of the technical operations that are grouped in the first two components (component 1 and component 2) and will be responsible for the preparation of the concept notes, term of references, quality control of the outputs and the overall management of the deliverables. They will prepare annual work plans that are specific to their departments, the corresponding procurement plans and will be in charge for the implementation and the first level monitoring of their activities and outputs to be reported to the project management unit.
ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant due to the potential production of construction waste the during construction and operation phases. The ESMP has identified potential key risks/impacts and has proposed relevant mitigation measures. The building design will incorporate all relevant energy use efficiency measures.

ESS4 Community Health and Safety

This standard is relevant mainly due to the Third national census, economic census and household budget survey that will be financed by the project. The increased number of vehicles for this activity may increase the risk of road accident as well as GBV.

To ensure full safety to the users of the new building, the Borrower will design, construct, operate the building in accordance with the national legal requirements, the EHSGs and other GIIP. More specifically, the project will apply the concept of universal access during the building design where technically and financially feasible to take in account the needs of disabled or limited mobility people.

The ESMP has identified all these risks/impacts and has proposed the mitigation measures through the implementation schedule.

As indicated above under ESS1, a Road Safety plan will be prepared a month before the beginning of population Census activities, economic census and household budget survey.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project will not induce land acquisition through the construction of the office building of the Institut National de la Statistique de Djibouti (INSD)/National Institute of Statistics of Djibouti. An environmental and social screening has bee carried out. The findings of the screening conclude that the land is barren, has no human settlements or economic activities, nor is it subject to legacy issues. The land belonged to the Djibouti land administration. For the propose of the project, the title of the land was given by the Djibouti Land Administration to the ministère de l'économie et des finances, chargé de l'industrie (MEFI), (Ministry of Economic Finance and Industry), which is the line Ministry of the INSD. The environmental and social screening of the site will be disclosed before appraisal. A copy of the land title will be disclosed before the commencement of the civil works of the building.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This ESS is not expected to be relevant to this project. Project is not making interventions in natural habitats.

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

There are no communities in Djibouti that fulfill ESS definition of indigenous people, nor underserved traditional communities.
ESS 8 Cultural Heritage

This standard may be relevant despite the fact that no cultural heritage was identified in the new administrative area. The building activities are unlikely to affect built heritage, intangible heritage, or natural heritage. However, as the construction activities will involve, earth movement, the ESMP has developed a chance find procedure to be followed during project implementation.

ESS 9 Financial Intermediaries

This ESS is not expected to be relevant to this project. The project is unlikely to procure the services of 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>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
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<tr>
<td>The Borrower will implement the ESMP construction throughout the construction phase.</td>
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<tr>
<td>The Borrower will establish an organizational structure with qualified staff to support the management of E&amp;S risks, including an E&amp;S focal point responsible for the day-to-day implementation of the ESMP. By effectiveness</td>
<td>07/2020</td>
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<tr>
<td>The borrower will develop and implement procedures for managing contractors and subcontractors. Include systematically Environmental and Social provisions in all bidding documents, with an obligation for each contractor to prepare work-ESMP/EHS plan. Incorporate systematically the contractual obligation to prepare an Environmental Health and Safety (EHS) plan proportionate to the work scoping.</td>
<td>10/2020</td>
</tr>
<tr>
<td>The Borrower will obtain or assist in obtaining the permits, consents and authorizations that are applicable to the Project from relevant national authorities • Comply or cause to comply, as appropriate, with the conditions established in these permits, consents and authorizations throughout</td>
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</table>
**Project implementation.** PMU will Comply with the conditions established in these permits, consents and authorizations throughout Project implementation.

<table>
<thead>
<tr>
<th>The Borrower will Develop and prepare an Environmental and Social Capacity building Plan that includes a clear timeline and budget for INSD and other stakeholders by project effectiveness</th>
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<td>07/2020</td>
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<tr>
<th>The Borrower will submit semiannual E&amp;S performance reports to the World Bank on ESMP implementation. During project implementation</th>
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<td>10/2020</td>
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**ESS 10 Stakeholder Engagement and Information Disclosure**

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<tr>
<th>The Borrower will update and implement the Stakeholder Engagement Plan (SEP) including arrangements for grievance mechanism.</th>
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**ESS 2 Labor and Working Conditions**

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<tr>
<th>The Borrower will implement a labor management procedure (LMP) including Occupational Health and Safety (OHS) measures. The LMP covers working conditions and terms of employment; nondiscrimination and equal opportunity; worker’s organizations.</th>
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<td>07/2020</td>
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<tr>
<th>Child labor, minimum age, forced labor, grievance mechanisms for workers, maintenance of training records and reporting of occupational accidents, diseases and incidents, emergency prevention and remedies will be documented in progress reports.</th>
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<td>07/2020</td>
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<tr>
<th>Labor Management plans including OHS measures to heighten awareness of risks and to mitigate impacts on local communities and grievance redress mechanism for workforce are prepared by contractors before commencement of civil works.</th>
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<tr>
<th>As part of the OHS measures contractors will include measures on emergency preparedness and response before any commencement of works</th>
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**ESS 3 Resource Efficiency and Pollution Prevention and Management**

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<tr>
<th>Contractor will develop and implement measures and actions in EHS plan to manage waste and hazardous materials before any commencement of works</th>
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<tr>
<th>The Borrower will ensure that the building design will take in account best practices and mitigation measures concerning resources efficiency consumption before any commencement of works</th>
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**ESS 4 Community Health and Safety**

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<tr>
<th>Contractors will develop and implement measures and actions in EHS plan to manage risks related to Community Health and Safety including traffic and road safety, Labor influx, GBV, SEA and risks related to the use of security personnel before commenc</th>
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</thead>
</table>
The Borrower will design, construct, operate the building in accordance with the national legal requirements, the EHSGs and other GIIP. Project building design will incorporate integrate universal access

PMU will prepare a Road safety plan before the commencement of census activities

**ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The PMU will prepare and disclose an environmental and social screening of the office construction site before appraisal.

| 07/2020 |

**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**

|  |

The Borrower will incorporate chance find procedures into the bidding documents for contractors and sub-contractors for building construction activities

**ESS 9 Financial Intermediaries**

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**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:**

Use of borrower framework is not being considered

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**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Republic of Djibouti
Borrower: National Institute of Statistics of Djibouti

Implementing Agency(ies)
Implementing Agency: Ministry of Budget
Implementing Agency: Ministry of Economy and Finance in charge of Industry

V. FOR MORE INFORMATION CONTACT
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VI. APPROVAL
Task Team Leader(s): Vibhuti Mendiratta, Mamadou Ndione
Practice Manager (ENR/Social) Lia Carol Sieghart Cleared on 24-Mar-2020 at 12:19:32 EDT