



Additional Financing Appraisal Environmental and Social Review Summary Appraisal Stage **(AF ESRS Appraisal Stage)**

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I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Djibouti	MIDDLE EAST AND NORTH AFRICA		
Project ID	Project Name		
P181612	Af Economic Management And Statistics Development For Policy Making		
Parent Project ID (if any)	Parent Project Name		
P171777	Economic Management and Statistics Development for Policy Making		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Poverty and Equity	Investment Project Financing	1/31/2024	3/22/2024
Estimated Decision Review Date	Total Project Cost		
1/23/2024	4,850,000		

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Proposed Development Objective

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 Recipient's selected economic and fiscal management tools and processes in Djibouti.

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 Activities

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 was 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 Recipient'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 Overview of Environmental and Social Project Settings

The project boundaries of the Additional Finance (AF) Project are similar to those of the Parent Project, which are being implemented nationwide. While physical potential environmental and social footprint is limited in the urbanized area of Djibouti City, activities will be taking place all over the country for the census survey.

Djibouti is the smallest state in the Horn of Africa. About a million inhabitants reside in the country, which covers a land area of 23,000 square kilometers. Officially, Djibouti hosts close to 30,000 refugees and asylum seekers from Somalia, Ethiopia, Eritrea, and Yemen, the equivalent of 3 percent of its population, mainly in three camps outside the capital city of the country (Ali-Addeh, Hol-Hol and Merkazi). The country hosts also around 150,000 non-registered migrants (estimates from Ministry of Social Affairs). The past decade, Djibouti has also become a country of transit for economic migrants and forcibly displaced populations over the Gulf of Aden to and from Yemen and other neighboring countries.

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 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 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

The project implementing agency for the parent project is currently Ministry of Economy and Finance in charge of Industry, National Institute of Statistics of Djibouti (INSTAD), Ministry of Budget. There are no changes to the implementation arrangements under the proposed AF and the PIU at the INSTAD will retain the overall responsibility of AF supported activities. INSTAD has established and maintained an organizational structure with qualified staff and resources to support management of environmental and social (E&S) risks and impacts of the parent Project, including one part-time E&S Specialist to ensure adequate risk identification, management, and reporting consistent with the parent Project’s ESCP. As activities advance, the E&S Specialist may need to work full-time to manage the E&S risks and impacts of both the parent Project and Additional Financing activities consistent with this ESCP.

The E&S performance rating for the parent project was deemed satisfactory until recently. The most recent mission evaluation assessed the progress of E&S aspects as moderately unsatisfactory. This was mainly due to the lack of a well-functioning grievance mechanism for the public, insufficient information dissemination to the community regarding the ongoing census survey, which led to some conflicts with the community who did not trust census agents and the short absence during several month of the E&S specialist within the PIU, whose contract was not renewed. This issue was promptly addressed by appointing a new part-time E&S specialist, improving the existing grievance mechanism and increasing public consultation. The E&S specialist conducted a training to census agents to inform them about project risks and the proposed mitigation measures, including the proposed grievance mechanism to be implemented, the code of conduct to be signed by all workers and included in contracts as well as the importance of stakeholder engagement, its objective and the stakeholder mapping of the project. In the meantime, the census activities are currently in progress, necessitating coordinated initiatives for public awareness. Thus far, there has been weak communication campaign to apprise the potential population of the upcoming general census. While the project's Grievance Mechanism is now in place, it is not functioning yet, it will necessitate increased publicity as the project expands its census activities.

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

A.1 Environmental Risk Rating

Low

No environmental issues are related to the proposed activities financed under this project. The proposed activities do not involve any civil works or activities that may cause significant adverse environmental risks and impacts. The AF project activities are the same as those financed under the parent project, and largely revolve around census activities. The aim is to provide additional funding for the Census which was financed by IDA, P171777. No significant environmental risks and impacts related to waste management, pollution prevention or biodiversity have been identified. The main identified risk is the occupational health and safety (OHS) of the census agents during the field work, mainly their road safety.

A.2 Social Risk Rating

Moderate

The parent project social risk is moderate and the AF risk remains moderate. The AF will not create new risks compared to the ones identified in the parent project, as the AF will not include new activities and will only cover



financing gaps. The AF social risks are mainly related to the census survey related activities. Those risks are mainly: 1) community health and safety, including gender-based violence, as big numbers of enumerators will be crossing the country interacting with each other and with the local populations; 2) conflict with the local communities, a) who may not be aware of the census survey activities, b) due to lack of trust in the enumerators or c) due to poor behaviors from the enumerators; 3) not knowing or respecting cultural backgrounds of the different areas that will be visited to conduct the survey; 4) grievances not resolved; and 5) risks related to poor labor and working conditions.

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

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Relevant

The project does not involve any activities that could generate significant and irreversible environmental and social impacts. The project activities are the same as those financed under the parent project, classified as a moderate risk. No significant environmental and social risks and impacts related to pollution management, land access, biodiversity or cultural heritage have been identified. The project may, however, deal with potential labor and working conditions (including health and security of workers), traffic risks while traveling around the country and social risks as described above related to dealing with local communities while conducting the census survey.

An environmental and social management plan was prepared during preparation of the parent project for the building's construction. During the preparation of the AF, the environmental and social commitment plan (ESCP), the stakeholder engagement plan (SEP) and the labor management procedures (LMP) were updated to reflect lessons learned from the parent project as well as realities on the ground and to ensure that all risks are reflected in the documents and proposed mitigations measures are included.

ESS2 Labor and Working Conditions

Relevant

This standard is relevant as the AF will involve various types of project workers. The AF activities will involve mainly staff of the implementing institution INSTAD and their consultants (direct workers) and contracted workers (around 1500) mostly recruited for the nationwide census activities and about 60 community workers to facilitate interactions with the local community. There are also some primary supply workers who will provide the information technology (IT) equipment and other supplies needed to improve statistical data as well as mobile phone and internet access. Workers involved in the AF activities may be exposed to discrimination, inequalities and unfairness, sexual exploitation and abuse and sexual harassment, lack of security, physical and moral harm or conflicts, poor working and labor conditions and/or some degree of OHS risks that include road accidents.

Under the parent project, the client prepared a standalone LMP, dated May 2022, reviewed and cleared by the Bank and disclosed. The LMP was updated to incorporate current information on Additional Funding activities, update number of project workers, incorporate lessons learned from the parent project (P171777), and include measures to manage traffic and road safety. The updated LMP will be applied during the mobilization of the workers needed for the census activities and subsequently, the parent project will adopt this revised LMP for its implementation. The updated LMP includes measures to ensure that workers hired are provided appropriate labor and working conditions in line with the local laws and consistent with ESS2, measures to avoid conflict with local communities, grievance mechanism for workers and code of conduct to prevent and address any sexual harassment, intimidation and/or exploitation within the project as well as training needs for workers to build their capacity (e.g., availability of

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grievance mechanism and respect of code of conduct to prevent and address sexual exploitation and abuse / sexual harassment (SEA/SH) as well as OHS measures).

Recently, the E&S specialist conducted a training to census agents to inform them about project risks and the proposed mitigation measures, including going through the proposed grievance mechanism to be implemented, the code of conduct to be signed by all workers and included in contracts as well as the importance of stakeholder engagement, its objective and the stakeholder mapping of the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

Not Currently Relevant

While the standard is relevant for the parent project due to the construction related activities to take place, the standard is not relevant for the AF. The project does not have any activities that will lead to pollution as there is no use or production of chemical substances, nor development generation of hazardous and non-hazardous wastes in solid, liquid, or gaseous states.

ESS4 Community Health and Safety

Relevant

This standard is relevant. Similarly to parent project, there are community health and safety risks related to conducting the census survey, including gender-based violence, as big numbers of enumerators will be crossing the country interacting with each other and with the local populations. There are also risks of conflict with the local communities, who may not be aware of the census survey activities, due to lack of trust in the enumerators or due to poor behaviors from the enumerators. Those risks will be mitigated through good and efficient stakeholder engagement activities.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Currently Relevant

This standard is relevant for the parent project given the construction of the building. Yet, given the scope of the AF which will cover a financial gap for project management and the surveys, this standard is not relevant for the AF.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Currently Relevant

This standard is not relevant based on information currently available. The project does not have any activities which could impact forests and natural resources.

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

Not Currently Relevant

This standard is not relevant. There are no communities in Djibouti that fulfill ESS definition of indigenous people, nor underserved traditional communities.

ESS8 Cultural Heritage

Not Currently Relevant

This standard is not relevant for the AF activities, yet it is relevant for the parent project because of the need to include chance find procedures in the contracts of contractors who will construct the building.

ESS9 Financial Intermediaries

Not Currently Relevant

This standard is not currently relevant because there are no financial intermediaries involved in the project activities.



ESS10 Stakeholder Engagement and Information Disclosure

Relevant

This standard is relevant. During project preparation of the parent project, a SEP was prepared, reviewed and cleared by the Bank and disclosed in March 2020. During the AF project preparation, the SEP was updated to include reflect lessons learned from the parent project as well as realities on the ground and to ensure that all stakeholders are identified. The Parent project and the AF will adopt and implement the updated SEP.

The census activities are currently in progress, necessitating coordinated initiatives for public awareness. Thus far, there has been a weak communication campaign to apprise the potential population of the upcoming general census. Such activities are included in the updated SEP. While the project's Grievance Mechanism is now in place, it is not functioning yet, it will necessitate increased publicity as the project expands its census activities. The SEP includes a grievance mechanism, it is also equipped to receive, register, and facilitate the resolution of SEA/SH complaints.

Stakeholder engagement activities will be inclusive of all groups of stakeholders, including vulnerable groups. SEP implementation is expected to engage stakeholders early, addressing their views and concerns as an ongoing process.

B.2 Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

OP 7.60 Projects in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

none

Use of Common Approach

No

none

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required during implementation?

During the preparation of the AF, the environmental and social commitment plan (ESCP), the stakeholder engagement plan (SEP) and the labor management procedures (LMP) were updated to reflect lessons learned from the parent project as well as realities on the ground and to ensure that all risks are reflected in the documents and proposed mitigations measures are included. No additional instruments or studies are expected to be prepared during implementation.

III. CONTACT POINTS

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