Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 09/16/2019 | Report No: ESRSC00819
### 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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<tr>
<td>Chad</td>
<td>AFRICA</td>
<td>P168666</td>
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**Project Name**
Chad: Mainstreaming the Extractive Industries Transparency Initiative

**Practice Area (Lead)**
Energy & Extractives

**Financing Instrument**
Investment Project Financing

**Estimated Appraisal Date**
9/30/2019

**Borrower(s)**
Republic of Chad

**Implementing Agency(ies)**
Ministere des Finances

**Proposed Development Objective(s)**

To strengthen the National Technical Permanent Secretariat’s capacity to plan and execute its work program, and to assess its communication effectiveness.

**Financing (in USD Million)**

<table>
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<tr>
<th>Total Project Cost</th>
<th>Amount</th>
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<td>0.35</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 project will support the strengthening of the NTPS’ internal controls and management capacity, focusing on the development of procedures and infrastructure for the disclosure of petroleum and mining contracts, the improvement of communication and dissemination effectiveness of the NTPS, the improvement of its administrative processes and internal controls and the mainstreaming of the reporting associated with the implementation of the Extractive Industry Transparency Initiative (EITI).

#### D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
No major environmental and social impacts are anticipated. The activities financed by the EITI initiative will not require any land acquisition, displacement, negative impact on natural habitats or biodiversity or any direct generation of GHG or pollution. Most project activities are expected to be located in N’Djamena.

D. 2. Borrower’s Institutional Capacity
The Ministry of Petroleum and Energy and the Ministry of Environment has a long history of monitoring and enforcing environmental and social performance of operators in the extractive industries. However, high staff turn-over and limited resources means that capacities at both ministries are moderate. On the other hand, the EITI Permanent National Secretariat has considerable experience in the area of public consultation, social inclusion and outreach developed over the past 11 years of participation in the EITI process which will be very useful for this project.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) Low

Environmental Risk Rating Low
This is a transparency initiative which does not involve any physical activities concerning extraction. Moreover, implementing EITI standard is seen as a useful tool to stimulate public dialogue on transparency and governance in the extractives sector. The initiative promotes understanding of natural resource management and sharing of data for greater accountability in the sector. The risk has been rated as Low.

Social Risk Rating Low
The Social Risk Rating is Low as this initiative will not require any land acquisition or physical displacement. There is a strong focus on citizen engagement and participation that will greatly contribute to ensuring that any future policy changes will be inclusive.

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 Project involves capacity building and training activities to stakeholders including Sub-national stakeholders (members of the communities, public administration, national institutions and extractives companies) operating in Chad, extractive industries operating in Chad, government of Chad through the NTPS, and citizens at national level (civil society). The Project, with no adverse risks and impacts and issues, does not require further ES assessment following the initial screening.

The work plans or other documents defining the scope and outputs of the capacity building and training activities to stakeholders will be drafted so that the advice and other support provided is consistent with the applicable requirements of the ESSs 1–10.

The project capacity-building program (in particular the one to help stakeholders understand the impact and local implication of extractive industries through targeted dissemination of EITI reports, activities that bolster joint work
and the active participation of civil society and CSOs) will consider the inclusion of environmental and social dimensions consistent with the provisions of the standards and national law.

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

Not applicable

**ESS10 Stakeholder Engagement and Information Disclosure**

EITI has a strong focus on citizen engagement and participation. The main output of this grant is an inclusive and comprehensive Stakeholder Engagement Plan. A template that highlights key areas to be developed further during the implementation of the grant has been submitted by the government as a draft Stakeholder Engagement Plan.

**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 not relevant. The project team, all professionals involved in the project (e.g. administrative assistant, professional coordinator, etc) will be comprised of government civil servants that are already employed by the various public institutions in Chad. They will remain subject to the terms and conditions of the civil service and ESS 2 is not relevant as long as there is no effective legal transfer of their employment or engagement to the Project.

**ESS3 Resource Efficiency and Pollution Prevention and Management**

This standard is not relevant. No direct, indirect or cumulative impact on resource efficiency has been identified, since the project does not involve any physical intervention. However, capacity building activities should be informed by this standard as may be relevant in developing the workshops and training.

**ESS4 Community Health and Safety**

This standard is not relevant. No direct or indirect impact on community health and safety is expected as the project does not involve any physical intervention.

**ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The standard is not currently relevant as none of the activities financed by the project will require land acquisition, restrictions on the use or access to land or physical displacement.

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This standard is not relevant. No direct, indirect or cumulative impact on biodiversity, since the project does not involve any physical intervention. However, capacity building activities should be informed by this standard as may be relevant in developing the workshops and training.
ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
This standard is not currently relevant.

ESS8 Cultural Heritage
This standard is not relevant. No direct, indirect or cumulative impact on cultural heritage under the project has been identified so far, since the projected activities are not expected to include material impacts or commercial use of tangible or intangible cultural heritage.

ESS9 Financial Intermediaries
This standard is not relevant as the project does not involve financial intermediaries.

B.3 Other Relevant Project Risks
EITI works to address transparency and good governance in the Extractives mining industry. It often works in highly complex contexts where there are allegations of abuse, low accountability and corruption. Hence, it is subject to criticism by both sides (NGOs and Business representatives). By financing this initiative, the Bank may face a risk that it could be implicated in these negative practices. This risk is partially mitigated by the emphasis on transparency and the inclusive approach for preparing the Stakeholder Engagement Plan.

C. Legal Operational Policies that Apply

**OP 7.50 Projects on International Waterways**
No
This is a transparency initiative which does not involve any physical intervention in international waterways. Most of the project activities will take place in N'Djamena.

**OP 7.60 Projects in Disputed Areas**
No
This is a transparency initiative which does not involve any physical intervention in disputed areas. Most of the project activities will take place in N'Djamena.

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?  
No

Financing Partners
N/A

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:
A template for a Stakeholder Engagement Plan (SEP) has been prepared to guide the preparation of a formal Stakeholder Engagement Plan during project implementation. The template refers to the preparation and operationalization of a grievance redress mechanism and a related communication plan.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):
- Stakeholder Engagement Plan
- Grievance Redress Mechanism

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 31-Oct-2019

IV. CONTACT POINTS

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<td><a href="mailto:fmroczka@worldbank.org">fmroczka@worldbank.org</a></td>
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<th>Silvana Tordo</th>
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Borrower/Client/Recipient

Borrower: Republic of Chad

Implementing Agency(ies)

Implementing Agency: Ministere des Finances

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Fabienne Mroczka, Silvana Tordo

Practice Manager (ENR/Social) Maria Sarraf Recommended on 16-Sep-2019 at 16:51:35 EDT