



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 26-Sep-2017 | Report No: PIDISDSC22232



BASIC INFORMATION

A. Basic Project Data

Country Djibouti	Project ID P162904	Parent Project ID (if any)	Project Name Public Administration Modernization Project (P162904)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Dec 01, 2017	Estimated Board Date Feb 28, 2018	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) The Republic of Djibouti	Implementing Agency Secrétariat Général du Gouvernement	

Proposed Development Objective(s)

The PDO is to improve transparency and efficiency in tax and customs administration and to create the enabling environment for effective digital administration

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	15.00
Total Project Cost	15.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track I-The review did authorize the preparation to continue
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B. Introduction and Context

Country Context

- Strategically located at the southern entrance to the Red Sea, Djibouti is a small country with a population estimated at 942,325 people (in 2016).** Djibouti is adjacent to the Mandeb Strait and the



Suez-Aden canal¹, through which ten percent of the world's oil exports and 20 percent of its commercial exports transit annually. It hosts several military bases² and has become the main sea-access route to landlocked Ethiopia. Djibouti draws significant rents from the military bases, which now account for more than 20 percent of total government revenues. Its economy has been expanding at a remarkable pace, estimated to have reached 6.5 percent in 2016, fueled by debt financed public investments in ports modernization and transports, particularly the railroad to Ethiopia, the construction of several new ports and a water pipeline from Ethiopia. Meanwhile, external debt has accumulated very rapidly, standing currently above 80 percent of GDP from less than 50 percent in 2014.

- 2. Despite significant investment and remarkable economic growth, Djibouti is classified among low human development countries, ranking 168th out of 188 countries in 2014.** Weak governance and insufficiently inclusive social and economic development model have not led to the improvement of social outcomes. About 41 percent of the population is poor; 23 percent live in extreme poverty, the unemployment rate reaches 39 percent; life expectancy at birth is 62 years, below the world average of 71.5 years and Least Developed Countries (LDC) average of 63.3 years; food insecurity affects 75 percent of rural households; and 17.8 per cent of children under five years of age suffer from global acute malnutrition. Yet, a small connected elite has accumulated vast wealth; the Gini index increased from 40 percent in 2002 to 44 percent in 2013.
- 3. Unlike many of its neighbors, Djibouti has remained relatively peaceful and stable in recent years.** The current regime has been in power since 1999 and has succeeded, thanks to geostrategic rents, centralized model of governance, and external supports, in maintaining peace and stability. However, there has been little progress in transforming public institutions to become more accountable for results and to citizens. Weak accountability and inclusion may expose the country to regional instability. There are underlying tensions between communities that could be exacerbated by high poverty, exclusion, high unemployment, flow of refugees from Yemen and Somalia, and threats from Al-Shabaab.
- 4. Significant improvement in governance and reforms supporting a more inclusive and diversified private sector are key to unlocking the country's developmental potential.** As stated in the government's development strategy *Vision Djibouti 2035*³ and the Djibouti SCD Concept Note,⁴ such reforms are critical to ensure that the country reaches its full potential and becomes a logistics and commercial hub for the whole of East Africa. The business environment remains relatively unfavorable for private sector development. The private sector is small, includes only a few registered private

¹ Djibouti commands access to the Red Sea, the Sea of Arabia, the Indian Ocean and the Suez Canal, hence to the Mediterranean Sea. In other terms, it commands one of the most vital naval arteries in the world (Robert M. Shelala II, "Maritime Security in the Middle East and North Africa: a strategic assessment", CSIS, 2014).

² Countries that have military bases include: France, USA, Japan, Germany, Spain, Italy, Saudi Arabia, and China.

³ Vision Djibouti 2035 targets medium-term growth of 7.5-10 percent per year, tripling per capita income, and reducing unemployment. It includes five pillars: peace and national unity, good governance, economic diversification, human capital development, and regional integration.

⁴ Republic of Djibouti, a Systematic Country Diagnostic, Concept Note, May 2017.



enterprises, and much activity is informal. Djibouti is ranked only 171 out of 190 countries in the World Bank's 2017 Doing Business report, with particularly low scores for enforcing contracts and protecting investors, getting bank credit, starting a business, getting electricity, and registering property. Furthermore, most governance indicators point to weak institutions that are unable to uphold the rule of law, posing important challenges to government accountability. As emphasized in the Djibouti SCD Concept Note,⁵ a weak rule of law is met with largely nonexistent mechanisms for citizen engagement and effective popular petitions in the cycle of policy formulation and implementation, leaving citizens with few means to hold government to account. A lack of inclusive processes around public policy making are particularly detrimental when assessing the government's effectiveness in the delivery of public services such as in health and education.⁶ While the government has launched several initiatives to improve government performance and transparency, deteriorating CPIA ratings show that these initiatives need further improvement.⁷ The lack of transparency, social accountability and citizen participation in government affairs thus continues to exacerbate a sense of frustration among young Djiboutian, which is also fueled by social inequalities and insufficient access to employment opportunities.

- 5. To address the multiple social and economic challenges that the country is facing and which may undermine its long-term stability, the Government has started implementing critical reforms to strengthen its institutional capacity and capabilities.** On the issue of fiscal sustainability, Government is making significant efforts to implement some of the recommendations of the 2015 National Tax Conference⁸. With regard to reforming public enterprise and governance, the authorities are taking steps to implement the Code of Good Governance, and they are appointing new executive boards and signing performance contracts with five public enterprises. With a great investment in a state-of-the-art e-governance infrastructure (www.egouv.dj), the Government has created a National Agency for the State Information System (*Agence Nationale de Système d'Information de l'Etat – ANSIE*) to modernize public administration and make it more efficient. This will also enable citizen feedback through an open data platform.

Sectoral and Institutional Context

- 6. Djibouti's public administration is relatively young. Djibouti gained its independence from France in 1977, but most of the public administration was run by the French until early 90's.** The post-colonial era was difficult as there was no enough qualified Djiboutian civil servants and good systems to ensure the transition. Some progress was made over the last decade to fill the gap; however, public administration performance is hindered by a disconnect between existing legal texts and procedures

⁵ Ibid

⁶ Ibid.

⁷ Country Policy and Institutional Assessment Africa, The World Bank, June 2014;

http://imagebank.worldbank.org/servlet/WDSContentServer/IW3P/IB/2014/06/25/000456286_20140625142425/Rendered/PDF/889910/WP0REPLA00Box385241B00PUBLIC0.pdf

⁸ IMF Country Report No. 17/87, April 2017



with their implementation on the ground. Yet, as the government is fairly receptive and a strong capacity to resist to change has not yet been developed, there is a good opportunity for public administration modernization and strengthening.

7. **Djibouti ranks poorly in all the dimensions of the World Bank’s Worldwide Governance Indicators (WGI).** On the Voice and Accountability, it ranks in the bottom ten percent of the 214 countries ranked, with a score that has progressively fallen during the period 2003 to 2013 from -0.63 to -1.46 and marginally improved to -1.4 in 2015 (score ranges from +2.5 best to- 2.5 worst). Djibouti ranks in the bottom third of 214 countries on control of corruption, a significant drop from being above the half way mark in 2008. It ranks in the bottom 20 percent on government effectiveness. About 28 percent of countries rank below Djibouti on the WGI indicator of regulatory quality. Djibouti ranks in the bottom 19 percent in the WGI’s indicator for the rule of law.
8. **Poor governance and pervasive capacity deficits at all levels of the public administration lie at the heart of the poor public service delivery.** Good governance is integral to development, and accountability is a cornerstone of good governance, a view that has received broad support in the development literature (Grandvoinnet et al, 2015; McNeil and C. Malena 2010; Björkman and Svensson 2007; World Development Report 2004, and World Development Report 2017). Unless public officials can be held to account, critical benefits associated with good governance, such as social justice and poverty reduction, will remain elusive. Ministries and public entities continue to be poorly equipped to conduct long term strategic planning, develop sector policies, secure adequate funding, ensure timely procurement processes, efficiently deliver goods and services or evaluate operational processes and deliveries.
9. **Institutional reforms need to be deepened and accelerated for all actions and initiatives engaged by the Government to succeed.** To address governance and service delivery challenges, the Government has started undertaking institutional reforms on accountability, transparency, and participation. The Government has created a National Agency for the State Information System (*Agence Nationale de Système d’Information de l’Etat – ANSIE*) and has made a great investment in a state-of-the art e-governance infrastructure (www.egouv.dj) to modernize public administration and make it more efficient. However, the right-to-information (RTI) reform, which is critical for data sharing and citizen feedback, is not yet effective. The authorities are taking steps to implement the Code of Good Governance to improve public service delivery and performance of public enterprises⁹, and they are appointing new executive boards and signing performance contracts with public enterprises. Still, more actions are needed, especially regarding financial disclosure, transparency and accountability. Indeed, while the Government has launched several initiatives to improve government performance and transparency, deteriorating CPIA ratings show that these initiatives need further improvement.¹⁰

⁹ All the major sectors of the economy including electricity, telecommunications, transport and water are run by governance-challenged state-own enterprises (SOEs). Public enterprises are plagued by poor corporate governance and accountability, which results in the sub-optimal usage of public resources and poor public service delivery

¹⁰ Country Policy and Institutional Assessment Africa, The World Bank, June 2014;
http://imagebank.worldbank.org/servlet/WDSContentServer?IW3P/IB/2014/06/25/000456286_20140625142425/Rendered/PDF/889910



ICT Sector and eGovernment

10. **Djibouti has invested heavily in the acquisition of eight sub-marine ICT cables that bring in considerable external revenues from the sale of internet connections to several countries in eastern and southern Africa.** However, access to high bandwidth does not yet translate into a modern public administration using ICT to deliver quality services to the people. The low coverage of mobile services, and especially mobile broadband services limits citizens' capacities to engage with the public administration by using ICT as medium. Despite the fact that nearly 80 percent of the population lives in urban areas, mobile broadband covers only half of its population (around 53% according to GSMA compared to around 75% average in MENA¹¹). Moreover, prices of mobile broadband are very expensive (according to GSMA, the price of mobile broadband is around \$30 for 500Mb/month. This is very high compared to countries in MENA¹². With and extreme poverty touching one fifth of the Djiboutian and high cost of telecommunication, the domestic access to internet is very limited, leading to low engagement between citizen and the state. Despite ad-hoc IT applications, current service delivery systems are paper based and less considering transparency and accountability to citizen.

11. **The government recognizes the need to leverage e-Government for public administration modernization and effective service delivery as evidenced by the creation of ANSIE and its positioning at the Presidency.** Through the e-governance platform operated by ANSIE, the government is seeking to improve efficiency, access, and quality of public services. So far, ANSIE has interconnected with fiber optic and high speed internet 15 out of 16 sites of ministries and agencies within the ministerial city (*Cité ministerielle*). A powerful datacenter has been established, equipped, and operated by qualified staff, who were competitively recruited. The program for the establishment of a National Identification Number to be used for all services is underway. Several applications are being developed by the ANSIE notably an e-procurement system, which is critical for transparency and value-for-money. Furthermore, ANSIE is working closely with the tax administration, the health sector, the justice sector, and the interior ministry for the development of their information systems and improvement of e-services access to citizens.

12. **However, overall progress in e-services delivery has been a bit slower than expected due to limited high-level technical capacities, lack of strategic vision and adequate policy and legal frameworks, as well as un-coordinated donors' interventions in their efforts to support the development of ICT systems in ministries and agencies.** For instance, with the support of the IDA financed Governance for Private Sector Development Project, some agencies are developing, in parallel to and without close coordination with ANSIE, stand-alone applications for commercial courts of the judicial system, the one-stop-shop for doing business, two applications for the central Bank, an application for land

[WP0REPLA00Box385241B00PUBLIC0.pdf](#)

¹¹ GSMA Report as footnote 9. Please also note that MENA region for GSMA and World Bank include different countries and estimates for MENA broadband coverage and penetration (World Bank list of countries) could be even higher as Comoros, Mauritania and Somalia (lowest penetration and access to internet) are included in Africa Region for World Bank but not for GSMA.

¹² World Bank Report on Broadband Networks in the Middle East and North Africa: Accelerating High-Speed Internet Access: <https://openknowledge.worldbank.org/handle/10986/16680>



property management, an application for construction permits management, and an application for the monitoring of the quality of electricity service provision. The IDA financed Social Protection project is developing the Social registry and the IDA financed Education Project is supporting the development of an information management system for the education sector. All these applications, systems and services are largely stand-alone, replicative, insufficiently secured, and do not leverage electronic services. The Government needs support to ensure interconnection of various ministerial databases and information systems to ensure interoperability, reliability, security, efficiency and effectiveness and to build the additional elements that are missing.

Tax and Customs Administration

13. **The tax regime in Djibouti continues to cause serious impediments to services development¹³ and competitiveness.** Djibouti provides tax exemptions through: (i) the common law (CGI); (ii) the Investment Code (IC); (iii) the Free Zone; (iv) externally financed development operations; and (v) diplomatic privileges. So far, tax exemptions have not led to the expected corresponding investment and employment benefits. The common law tax regime suffers from tax distortions and discretionary decision making. Under the investment code, tax exemptions and other special tax regimes, including the free zone system and the regime for foreign military bases, reduce the tax base, create distortions to competition between economic operators, and lead to sizable revenue losses¹⁴. As noted in the tax conference 2015, the Free Zone law is very generous by international comparison. Furthermore, trade with Djibouti is subject to tariff through the internal consumption tax (TIC)¹⁵, whose rate is particularly high. Forecasts based on the existing fiscal policy indicate that domestic revenues could fall to 17.3 percent of GDP in 2019 from 19.3 in 2015. Strengthening domestic resource mobilization systems should result in more fiscal space and less accumulation of public debts. As recommended in the World Bank's Tax Strategy report (2017), the authorities should take immediate steps to review tax expenditures and exemptions, consolidate instruments by phasing out the TIC and instead strengthening the VAT and excise taxes. Promoting economic neutrality of the VAT, with an effective and accelerated VAT refund process, would make the system more attractive to investors.
14. **Tax administration, particularly the General Directorate of Tax (*Direction Générale des Impôts – DGI*) does not have the necessary capacity and capabilities to ensure effective implementation of tax policies and domestic resource mobilization.** So far, the DGI has not been successful in promoting tax fairness, curbing distortions and frauds, efficiently monitoring VAT refund claims, broadening the tax base particularly with regard to property tax, and conducting systematic cross-checking between Tax and Customs information. The current administrative system is largely manual and involves excessive physical interaction between taxpayers and the tax administration, which increases opportunities for

¹³ What Tax Strategy Following the National Conference on Taxation?, GPMFM, World Bank, 2017

¹⁴ International Monetary Fund, Country Report No. 17/87, April 2017

¹⁵ Djibouti does not have a customs tariff in the strictest sense, but TIC serves a similar purpose as domestically produced goods are not subject to this tax. Djibouti's Most-Favored Nation (MFN) tariff is estimated at 27.8 percent (WTO) compared with 22.0 percent for an average MENA country or 11.4 percent for lower-middle-income country. TIC revenue fell from 7 percent of GDP in 2000 to 4 percent of GDP in 2015. Despite the drop, the level is still high relative to that of countries competing against Djibouti, such as Mauritius, where tariffs account for only 0.3 percent of GDP. (World Bank 2017)



corruption. Indeed, the DGI does not have sufficient human resources and adequate information systems to support its operations. The workforce is small with 170 staff and only seven higher level managers (category A). Due to staff limitations and efficiency, services are more centered on a simple review of tax documents rather than risk-based audit activity, which is critical for a modern tax administration based on self-assessment. DGI's information system (AGIR) does not have the necessary features for cross-checking information with Customs, is lacking modules to guide risk-based audit and management of VAT refunds, and also does not allow for online tax returns filling and payments, etc. Therefore, it is critical, as recommended during the 2015 Tax Conference and in the World Bank tax strategy report, to strengthen the capacity and capabilities of DGI.

15. Strengthening of the Customs administration (Direction Générale des Douanes et des Droits Indirects – DGDDI) is equally important and central for increased resources mobilization and competitiveness.

Good performance of the Customs administration is crucial for the recovery of import duties like the TIC but also for the VAT. In 2015, 65.9 percent of VAT was collected by DGDDI. Hence, the necessity to strengthen DGDDI's information system (ASYCUDA) and to ensure the interface for effective cross-checking with the DGI's information system. Furthermore, DGDDI continues to have significant challenges with regard to the assessment of merchandise values and in improving clearance times, which need to be addressed to ensure competitiveness and increased integration in the chain of international trade (e.g. China New Silk Road).

16. The authorities are taking the necessary measures to implement some key recommendations of the 2015 National Tax Conference¹⁶, but effective results have yet to materialize.

The 2016 budget included measures to streamline and simplify the tax structure. Key changes included: exemption of the lowest income earners from income tax; broadening of the capital gains tax on real estate; reduction of import license fees; introduction of a differentiated scale for company registration fees; revision of the stamp duty and licensing fees; elimination of the excise tax on fruit and vegetable juices and carbonated beverages. The authorities also continued to gradually reduce the TIC with the goal of eventually replacing it with the VAT and excise taxes. Further tax policy and tax administration measures are envisaged. They include: installation of cash registers in businesses subject to the VAT; transfer of the management of the business license tax and local real estate taxes to the regional authorities; appointment of customs commissioners to enable customs officers to focus on inspection work; rapid processing of customs clearance procedures by introducing a risk analysis system; and adoption of a code of ethics for customs personnel and an inspection charter. As agreed with the IMF, the authorities plan to establish in 2017 a tax policy unit and a reform steering committee tasked with devising, promoting, and coordinating tax reforms. The success of all these reforms will be gauged by how well they are implemented and bring in additional domestic revenues that the authorities need to improve service delivery in priority sectors.

Relationship to CPF

17. The proposed project is aligned with the World Bank Group's twin goals of reducing poverty and boosting shared prosperity, the WBG's Djibouti Performance and Learning Review (PLR), which

¹⁶ Ibid.



proposed adjustments to the Djibouti Country Partnership Strategy (CPS) FY 2014-2018, and with the Middle East and North Africa Strategy ‘Economic and Social Inclusion for Peace and Stability’. The project aims to strengthen public governance and service delivery. The CPS rest on two pillars: (i) reducing vulnerability; and (ii) strengthening the business environment. Under this framework. the CPS puts emphasis on governance and its linkages to economic performance (such as policy reforms to boost growth) and governance and service delivery (such as strengthening accountability in basic service delivery chains). Furthermore, the CPS targets improvements in key areas of governance and accountability that affect the program as a whole, responding flexibly to emerging needs in line with lessons learned throughout program implementation. Empowering citizens to engage in well-informed public discussions around key development issues is seen as integral to the creation of an inclusive national debate and the building of sustainable coalitions for reform. Furthermore, the PLR proposes to align the CPS with the World Bank’s Middle East and Northern Africa Regional Strategy, which puts emphasis on (a) renewing social contract, (b) regional cooperation, (c) resilience to IDP/refugee shocks, and (d) recovery and reconstruction. The activities proposed will support the Renewal of the Social Contract by opening up avenues for citizen engagement, facilitated through the use of e-government reforms.

C. Proposed Development Objective(s)

18. The PDO is to improve transparency and efficiency in tax and customs administration and to create the enabling environment for effective digital administration.

Key Results (From PCN)

19. The expected outcomes of the project are increased efficiency, access, and satisfaction with the revenue administration and e-Government. The aim is to leverage a combination of policy reforms, ICT tools, greater transparency and strengthening skills with a focus on both the efficiency, quality and access to services for the business and citizen. The key results are as follow:

- Improved financial disclosure and access to information.
- Increased availability of open data and e-government services.
- e-Government digital platform established.
- Reduction of overall amounts of tax exemptions from XX to a maximum of YY.

20. Some key intermediary results include:

- Government systems upgraded and integrated in the e-governance platform.
- Unique business or tax ID for tax and customs declarations issued for all registered taxpayers
- Improved management of the tax and customs administrations
- Adoption of the RTI act
- Adoption of the financial disclosure law



D. Concept Description

21. The proposed operation is a four-year Investment Project Finance (IPF) credit which seeks to improve efficiency, access, and satisfaction with the revenue administration and e-Governments services by strengthening transparency, accountability, citizen engagement, and leveraging ICT. Closing persistent implementation gaps in these areas requires involving key stakeholders in the identification of problems and having them work together to build long-term solutions. To this end, the project will put a high premium on consensus building, participation, and problem driven iterative adaption (PDIA) approach.
22. The project consists of four components: (i) Strengthening e-Government foundation; (ii) Tax and Customs modernization; (iii) Institutional Reforms; and (iv) Project Management.

Component 1: Strengthening e-governance foundation (US\$ 7.5 million)

23. The e-Government foundation component will include enabling environment and the horizontal pillar for a whole-of-government digital platform to improve the effectiveness and transparency of the public administration and its engagement with citizens. This component will help to ensure interoperability of systems, products and use and harmonize existing capacity at the ANSIE. The component will also support establishment of Citizen Service Centers to facilitate citizens access to selected public services such as health and justice systems.
24. The proposed project would finance technical assistance, equipment, and training for:
 - Establishment of an e-governance infrastructure through the expansion of the data center and creation of a back-up center, the development of shared services (e.g. interoperability platform, unique citizen identification system, user authentication platform, data exchange and management) and the integration of various government websites into the unified government portal.
 - Provision of electronic services with a view to simplifying and reducing the implementation cost of electronic services. The platform will be able to contain an initial range of online information and e-services that will be added over time and will be integrated into the unified government portal.
 - Development of a centralized Open Data platform (using the existing Government portal and data stored at the government datacenter) that would allow citizens to interact with the administration, download and reuse non-sensitive raw public data, request information, send feedback online, and obtain adequate responses to their queries and suggestions.
 - Development of a national government performance monitoring system that will provide reliable, timely and open data. transparency, open contracting, and effective public services delivery will be the main themes which will crystalize the development of citizen engagement capacity. The citizen engagement platform will be closely linked with the open data platform and integrated into government portal.



- Development of Citizen Service Center (CSC) pilots in two peripheral neighborhoods (Balbala and Obock) to serve as a Citizen Service Center (CSC) that would facilitate access to services and demonstrate the viability of that approach that has proved to be successful around the world. These centers would centralize all public services in one location and provide on-line and face-to-face services to citizens, who do not have access to mobile broadband.

Component 2: Tax and Customs Modernization (US\$ 4.5 million)

25. This component will support the revision of different tax legislations for more coherence and efficient tax and custom administration, ensure that Tax and Customs systems are integrated, business processes are revamped, and a sound digital architecture for revenue collection is established.
26. The proposed project would finance technical assistance, training, and equipment for:
 - the establishment of a Tax Policy Unit within the Ministry of Budget and the strengthening of the Economic Development Board in charge of monitoring and evaluation of the Tax Reform.
 - the establishment of an e-filing and e-payment system in the tax (*DGI – Direction Générale des Impôts*) and customs (*DGDDI – Direction Générale des Douanes et des Droits Indirects*) administrations.
 - the strengthening of VAT control and refund processes.
 - DGI to acquire and implement a modern tax revenue information system.
 - DGDDI to improve its existing information management system (ASYCUDA World).
 - DGDDI and DGI for the implementation of a risk-based approach to auditing, monitoring of arrears and the initiation of proceedings against taxpayers in default.
27. During preparation, the team will assist the Government to: (i) review and reduce tax exemptions and waivers; (ii) draft a new tax code that will amend some existing tax exemptions.

Component 3: Institutional Strengthening (US\$ 2 million)

28. Djibouti faces several governance constraints that impact quality of service delivery, and the Government has started undertaking institutional reforms on accountability, transparency, and participation. The proposed project will support the Government's efforts to reform institutions and policies to reduce these constraints, namely the right to information (RTI), facilitating access to information through the CSCs and an open data portal; and financing activities which would support Djibouti's eligibility to join the Open Government Partnership (OGP).
29. The project will support the Government to draft a RTI law as well as its implementation, which should ensure the disclosure of information, data-sharing, and performance monitoring. This will require



addressing bureaucratic reluctance in providing information to the public and ensuring transparency and accountability. Information on service delivery will need to be more accessible and utilized by citizens. Legal services at ANSIE and the General Secretariat of Government are in the process of drafting and proposing legislation on access and use of information.

30. The project will support the Government on its implementation of the assets declaration and financial disclosure program. Activities will support the following: training of representatives in complaints handling, investigation techniques, cross-checking information from asset declarations with other databases (property registry, tax declarations, and so on) preventative mechanisms, tracking and public reporting on public officials' compliance with the assets declaration requirement, and online disclosures.

Component 4: Project Management (US\$ 1.0 million)

31. The project will be anchored in the General Secretariat of the Government via ANSIE. A project coordination unit will be established. It will be supported by a steering committee whose members will be designated by the beneficiary structures of the project. Focal points will also be designated to monitor the activities covered by the project and will serve as counterparts to the consultants to be mobilized by the project.

32. The project will finance technical assistance, equipment, and training for :

- the set-up and operationalization of the project coordination unit and the steering committee.
- updating and implementing the communication plan on reforms.



SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

No new construction under component 1 of the project at the Data center and the two Citizen Service Center (CSC) pilots in Balbala and Obock but only minor refurbishment of already existing premises. The project will work inside existing government offices. These minor refurbishment of government offices expect to present limited environmental and social risks that are readily managed through mitigation measures.



B. Borrower’s Institutional Capacity for Safeguard Policies

Full institutional arrangements are not finalized yet. Limited institutional capacity is foreseen. The Bank team will need to use the preparation time to provide guidance to prepare safeguard instrument (EMP) and build capacity.

C. Environmental and Social Safeguards Specialists on the Team

Antoine V. Lema, Social Safeguards Specialist
Mohamed Adnene Bezzaouia, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is categorized as a B. Component 1 of the project has the propensity to generate very minimal and site specific environmental impacts in the case of the minor refurbishment of the government offices that are easily remediable . These environmental impacts are essentially related to the management of non hazardous and hazardous solid wastes, generation of noise, fugitive dust and sanitary wastewater discharges. Other impacts are related to Occupational and Community Health and Safety. A Checklist EMP of rehabilitation will be prepared by the client and will be implemented by selected contractors to manage these risks and impacts. The Checklist EMP will be reviewed and approved by the World Bank before appraisal.
Natural Habitats OP/BP 4.04	No	This policy is not triggered as the project will not involve work in natural habitats or protected areas.
Forests OP/BP 4.36	No	This policy is not triggered as the project will not involve work in forests or their rehabilitation.
Pest Management OP 4.09	No	This policy is not triggered as the project will neither support the use nor involve investments in Pesticides.
Physical Cultural Resources OP/BP 4.11	No	The proposed operation is not expected to pose risks of damaging on the existing community cultural property.
Indigenous Peoples OP/BP 4.10	No	The proposed operation is not expected to pose risks to indigenous people
Involuntary Resettlement OP/BP 4.12	No	The project does not include activities that will result in resettlement
Safety of Dams OP/BP 4.37	No	The project will not construct or rehabilitate dams, and will not support other investments which rely on services of existing dams.



Projects on International Waterways OP/BP 7.50	No	The project will not affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in a disputed area

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Oct 20, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The Checklist EMP will be prepared reviewed and approved by the World Bank before appraisal mission.

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APPROVAL

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