



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### (ESRS Appraisal Stage)

Date Prepared/Updated: 08/19/2026 | Report No: ESRSA05198

**I. BASIC INFORMATION****A. Basic Operation Data**

|                                         |                                                     |                             |                      |
|-----------------------------------------|-----------------------------------------------------|-----------------------------|----------------------|
| Operation ID                            | Product                                             | Operation Acronym           | Approval Fiscal Year |
| P513304                                 | Investment Project Financing (IPF)                  | Ethiopia Stats              | 2027                 |
| Operation Name                          | Modernizing Ethiopia's Statistical System           |                             |                      |
| Country/Region Code                     | Beneficiary country/countries (borrower, recipient) | Region                      | Practice Area (Lead) |
| Ethiopia                                | Ethiopia                                            | EASTERN AND SOUTHERN AFRICA | Poverty and Equity   |
| Borrower(s)                             | Implementing Agency(ies)                            | Estimated Appraisal Date    | Estimated Board Date |
| Federal Democratic Republic of Ethiopia | Ethiopian Statistical Service                       | 20-Jul-2026                 | 05-Nov-2026          |
| Estimated Decision Review Date          | Total Project Cost                                  |                             |                      |
| 02-Mar-2026                             | 50,000,000.00                                       |                             |                      |

**Proposed Development Objective**

The Project Development Objective (PDO) is to improve the availability, quality, timeliness, and use of official statistics for evidence-based policymaking in Ethiopia.

**B. Is the operation 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 Ethiopia Statistics Project – Modernizing Ethiopia's Statistical System (MESS) - aims to strengthen Ethiopia's National Statistical System (NSS) by modernizing institutions, methods, and infrastructure to produce timely, high-quality, accessible, and policy-relevant data in support of the country's economic reform agenda and long-term development goals. Building on past investments and aligned with the Ethiopia Statistical Development Plan (ESDP) and broader macroeconomic reforms under the Homegrown Economic Reform Agenda, the project aims to address data gaps, fragmented systems, limited interoperability, and weak adoption of new technologies that have constrained evidence-based policymaking, especially amid recent economic shocks and conflict. Through four integrated



components, the project will (i) expand and modernize core data sources by financing priority household, demographic, and economic surveys, strengthening administrative data systems, and piloting new data sources such as satellite imagery and big data; (ii) improve data quality, standards, dissemination, and use by upgrading national accounts and CPI, expanding regional statistics, and establishing microdata access and modern dissemination platforms; (iii) build human, IT, and institutional capacity to support a transition toward an integrated national data system; and (iv) ensure effective project management and coordination.

## **D. Environmental and Social Overview**

### **D.1 Overview of Environmental and Social Project Settings**

The project will support nationwide modernization of Ethiopia's National Statistics System (NSS) through the Ethiopian Statistical Service (ESS) covering diverse social and environmental contexts. Ethiopia has an estimated population of 135 million, with over 76% residing in rural areas and nearly 39% under the age of 15. The country encompasses more than 80 ethnic and linguistic groups, presenting challenges for inclusive and representative data collection. It has also rich biodiversity, natural resources, and important historical and cultural heritage sites, highlighted by its nine UNESCO World Heritage Sites. The project's physical footprint is expected to be limited, focusing mainly on office renovations and the construction of three new offices and upgrading ICT resources to enhance data production and dissemination.

Ethiopia is an FCV-affected country, with ongoing conflicts in Amhara and Oromia regions causing widespread displacement and restricted access to affected populations. Further, climate change poses an additional threat, with flooding causing climate-induced displacement, especially in the low-lying areas of the country. The national poverty rate is projected at 43% (2025, \$3/day threshold), with multidimensional poverty affecting approximately 72% of the population, disproportionately impacting rural communities. The Human Capital Index stands at a low 0.38, reflecting poor health and education outcomes. These factors hinder data collection and impact vulnerable populations.

Gender inequality remains a major issue, with women and girls facing greater challenges due to conflict, poor access to services, and social norms. Modernizing Ethiopia's statistical system is essential to provide timely, reliable, gender-disaggregated data for informed policymaking.

### **D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts**

The Ethiopian Statistics Service (ESS), an entity accountable to the Ministry of Planning and Development (MoPD), coordinates the National Statistical System (NSS) and oversees national development planning and accounts. Agencies across the NSS will benefit from project activities but will not receive direct funding.

A Project Implementation Unit (PIU), housed within ESS, will be responsible for the daily management, technical, fiduciary, and environmental and social activities based on the project's risk profile. Strategic oversight will be provided by a high-level Project Steering Committee (PSC) chaired by MoPD and comprising the ESS, the Ministry of Finance, and key sectoral ministries.

Institutional capacity draws on lessons from the Ethiopia Statistics for Results Project (SRP, P147356). The SRP's ICR highlighted strong client ownership, stable government resourcing for the NSS, continuous professional training, modern ICT adoption, comprehensive NSS-wide engagement, and results frameworks calibrated to institutional



capacity. These elements are embedded in the current project’s design, including staff training, process standardization, digital tools, and strengthened coordination.

Ethiopia has a data protection legal framework, though the enforcement is weak. Government commitment is evidenced by recent increases in the Ethiopian Statistical Service (ESS) budget. Sustained financing is expected to help consolidate gains, maintain capacity, and support ongoing environmental and social (E&S) risk management measures within ESS and across the NSS. The project adopts a whole-of-NSS approach to improve coordination among data-producing agencies, thereby enhancing institutional capacity to identify, manage, and monitor environmental and social risks and impacts throughout implementation. The Borrower’s capacity to implement E&S measures will be assessed further . The client is establishing a Project Implementation Unit (PIU) with environmental and social specialists using the GFPP fund. The Terms of Reference for recruiting key specialists have been developed and reviewed by the Bank.

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

**A. Environmental and Social Risk Classification (ESRC)** Moderate

**A.1 Environmental Risk Rating** Moderate

Environmental risks are localized and arise primarily from civil works under Component 3. Key risks include: Construction impacts: Noise, dust, vibration, and potential air and water pollution during construction and renovation of regional offices in Jimma, Jigjiga, and Assaita, as well as renovations of existing ESS facilities. E-waste management: Replacement and disposal of IT hardware, servers, and equipment under the ICT modernization program may generate electronic waste requiring dedicated handling and disposal procedures. Resource efficiency: Water and energy consumption associated with new office construction and VDI infrastructure. Occupational health and safety: Risks to construction workers, office staff, and field enumerators, including exposure to hazardous materials, electrical hazards, and ergonomic risks. Biodiversity screening: Regional office sites in Jimma, Jigjiga, and Assaita will be screened for proximity to natural habitats or protected areas, particularly given ecological sensitivity in the Afar region. Government land will be prioritized to minimize risk. These risks are expected to be site-specific, temporary, and reversible. They will be managed through the ESMP, which will include a Waste Management Plan with an e-waste annex, OHS procedures, and a biodiversity screening checklist.

**A.2 Social Risk Rating** Moderate

The social risk of the project is assessed as Moderate, mainly due to activities under Component 3, which support the Ethiopian Statistical Service's infrastructural development and IT modernization, including the construction of three new regional offices in Jimma, Jigjiga, and Assaita. Additional risks arise from technical assistance and capacity building activities under other components. The key anticipated social risks include: (i) potential land acquisition or restrictions on land use, potentially leading to physical or economic displacement if the proposed construction sites are on land not currently owned by ESS, as well as impacts on informal users or vendors near project sites; (ii) risks to cultural heritage if construction activities intersect with sites of historical or cultural significance; (iii) labour influx and associated social issues, including risks of gender-based violence (GBV), sexual exploitation and abuse (SEA), and sexual harassment (SH); (iv) exclusion of vulnerable groups including women, youth, persons with disabilities, pastoralist, agro-pastoral, and nomadic communities in Afar and Somali regions from data collection processes due to

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language barriers, geographic inaccessibility, and cultural factors; (v) applicability of ESS7 given that the project operates nationwide, including in areas where historically underserved traditional and nomadic communities reside; (vi) risks to the safety of field staff and enumerators conducting household surveys in conflict-affected or insecure areas given the FCV context in parts of Ethiopia; and (vii) data protection and privacy risks arising from large-scale survey operations, administrative data system development, and mobile phone data pilots, including concerns related to respondent consent, data security, and confidentiality. To address the identified social risks, the following mitigation measures will be applied. Where land is already owned by ESS, land title rights will be verified and documented. Where land acquisition is confirmed, Resettlement Action Plans (RAPs) will be prepared in accordance with ESS5 prior to commencement of civil works. A Chance Finds Procedure will be included in civil works contracts and the ESMP to manage any risks to cultural heritage. To mitigate labour influx risks, a GBV Action Plan and a worker Code of Conduct will be prepared prior to contractor mobilization, and SEA/SH-sensitive grievance pathways will be integrated into the project-level GRM. A Community Health and Safety Plan (CHSP) will address traffic, road safety, and communicable disease risks near construction sites. Free, prior, and informed consultation will be conducted with pastoralist and nomadic communities in line with ESS7 requirements. Security risk assessments will be in conflict-affected or insecure areas, and safety protocols will be established. A Data Protection Protocol will be prepared as part of the ESMP.

## B. Environment and Social Standards (ESS) 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 will strengthen statistical infrastructure and capacity, including construction, rehabilitation, and operation of facilities. Key environmental risks include construction and e-waste generation, pollution (noise, dust, air, water), biodiversity impacts, soil erosion, and resource inefficiency. Key social risks include data security and cybersecurity, land acquisition and potential displacement, livelihood impacts on informal users near sites, labor influx and GBV/SEA risks, impacts on vulnerable groups, & weak enforcement of data protection legislation. To address these risks, the project has prepared ESCP and SEP. Besides the standard ESMP (including, as annexes, chance finds, traffic management plan, LMP, WMP including e-Waste) is under a draft stage and will be finalized prior to project effective date.

#### ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

ESS10 is relevant to the project. Stakeholder engagement will occur throughout the project life to build positive relationships, inform project design, and support effective E&S risk management. Likely stakeholders include local communities near project sites, relevant government agencies (such as ESS and sectoral ministries), civil society organizations, academic institutions, and other interested parties. A Stakeholder Engagement Plan (SEP), including a project-level Grievance Mechanism (GM), has been prepared and disclosed. SEP establish an accessible project GM with multiple intake channels and confidential pathways for SEA/SH-related complaints, including survivor-centered protocols & referral options. Besides, the SEP explicitly include provisions for culturally appropriate engagement with nomadic and pastoralist communities & local languages. Communities and individuals who believe they are adversely



affected by the project may also submit complaints to the World Bank's Grievance Redress Service (GRS) or the Accountability Mechanism (AM), which includes the Inspection Panel and the Dispute Resolution Service.

#### **ESS2 - Labor and Working Conditions**

Relevant

The project will involve the following categories of workers, as defined under ESS2: Direct workers: PIU staff employed directly by ESS for project implementation, including the Project Coordinator, Environmental Safeguards Specialist, Social Safeguards Specialist, Financial Management Specialist, Procurement Specialist, M&E Specialist, and GBV Focal Point. Civil servants: Existing ESS management and technical staff who remain on government terms and conditions but contribute to project activities, along with staff of Regional Statistical Offices, relevant federal ministries, and local government offices involved in survey operations and data systems development. Contracted workers: Workers engaged through contractors or service providers, including survey enumerators and field supervisors, technical and advisory consultants, civil works contractors, and subcontractors. Primary supply workers: Workers employed by suppliers providing ICT hardware, server equipment, software systems, and data center infrastructure where their work is essential and directly related to core project outputs. Labor Management Procedures (LMP), covering all applicable worker categories, OHS standards, and a Code of Conduct, will be prepared and disclosed before any project workers are engaged. A dedicated worker grievance mechanism separate from the project-level GRM and including SEA/SH-sensitive pathways will also be established before worker engagement.

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

Relevant

ESS 3 is relevant as the planned activities are expected to involve procurement & use of IT resources, and office construction, renovation, and operational phases. Thus, key considerations under ESS3 will include resource efficiency (energy, water and raw material use) in new and upgraded facilities, management of construction and operational waste (including non-hazardous and hazardous), pollution management (dust, noise, air emissions), and e-waste from upgrading IT resources. To manage these risks, the project will prepare waste management plan, including e-waste, as part of the standard ESMP in accordance with the WB ESF, the WBG EHS Guidelines and Good International Industry Practice (GIIP). Further, site specific ESMP for construction and rehabilitation activities will be prepared, implemented and monitored. All this will be reflected in the ESCP.

#### **ESS4 - Community Health and Safety**

Relevant

ESS4 is relevant considering the nature of the project activities & their interface with local communities. Key potential risks include rehabilitation/construction-related impacts (such as noise, dust, traffic disruptions, and site safety hazards), increased traffic and road safety concerns, community exposure to hazardous materials, and potential impacts associated with labor influx (including risks of communicable disease transmission and gender-based violence/sexual exploitation and abuse). The project will require systematic assessment and management of these risks, typically through the development of standard ESMP, including Community Health and Safety plan (CHSP) & security measures, in line with the WB ESF requirements and GIIP. Based on ESMP, including CHSPs, will be developed, implemented & monitored during implementation, with particular attention to affected communities & vulnerable groups.

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

Relevant



ESS5 is considered relevant on a precautionary basis. Based on the available information, the project includes construction of three new regional offices. While the implementing agency will prioritize sitting these facilities on existing, unencumbered government (ESS) owned land, the possibility of land acquisition or economic displacement of informal users cannot be excluded at this stage until the land title holding are submitted, verified and documented). Resettlement Action Plans (RAPs) will be prepared and implemented, if required, prior to civil works at the respective sites in accordance with the ESMP and ESCP.

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

Relevant

ESS6 applies to the project to ensure that project activities (such as office renovations, facility upgrades, or new construction) do not adversely affect biodiversity, natural habitats, or ecosystem services. The project's main focus is on institutional strengthening and digitalization, but any physical works will be screened for potential impacts on natural habitats per the ESMP, which will be also reflected in the ESCP.

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

Relevant

ESS7 applies because the project will be carried out across the country, reaching emerging regions and underserved communities. Further specifics including the consultations with groups meeting ESS7 criteria will be assessed during the preparation phase.

**ESS8 - Cultural Heritage**

Relevant

ESS8 applies to the Project, as the rehabilitation and construction of offices may encounter unknown heritage. Thus, the ESMP will include chance-finds-procedure, with measures reflected in the ESCP. It will also screen out known heritage sites in relation to new construction sites.

**ESS9 - Financial Intermediaries**

Not Currently Relevant

ESS9 is not considered relevant at this stage. No FI activities anticipated.

**B.2 Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways**

No

**OP 7.60 Operations in Disputed Areas**

No

**B.3 Other Salient Features**

**Use of Borrower Framework**

No

The project will use the World Bank Environmental and Social Framework (ESF). The use of the Borrower's E&S framework will be assessed for consistency with ESF requirements, if considered during project preparation.



### Use of Common Approach

No

No possible financing partner at this stage.

## 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 by implementation?

Instruments required prior to appraisal:

- Environmental and Social Commitment Plan (ESCP)
- Stakeholder Engagement Plan (SEP)

Besides, the Standard Environmental and Social Management Plan (ESMP), including, as annexes, E&S baselines, GBV/SEA action Plan, LMP, traffic management plan, Community Health and Safety Plan (CHSP), Waste Management Plan including electronic waste (e-waste) generated from IT upgrades, chance finds procedure, Data Protection Protocol, E&S screening checklist, and exclusion list and the ESMPs for the three construction sites will be prepared prior to project effective date.

Also, Terms of Reference for TA (including the development of a microdata dissemination policy (based on the new draft Statistics Proclamation) and capacity building activities will be developed during implementation to incorporate the objectives of relevant ESSs. Integrating these objectives will help ensure that all activities and outputs are fully consistent with the World Bank Environmental and Social Framework and ESSs requirements.

## III. CONTACT POINT

### World Bank

Task Team Leader: Tom Bundervoet Title: Lead Economist  
Email: tbundervoet@worldbank.org

## IV. FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

## V. APPROVAL

Task Team Leader(s): Tom Bundervoet



**V. APPROVAL**

ADM Environmental Specialist:

Dereje Agonafir Habtewold

ADM Social Specialist:

Chalie Kassa Mengistu