



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 02/20/2020 | Report No: ESRSC01136



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Nigeria	AFRICA	P173108	
Project Name	Nigeria - Beneficial Ownership Transparency (BOT)		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing		2/28/2020
Borrower(s)	Implementing Agency(ies)		
The Corporate Affairs Commission (CAC)	OGP Secretariat (Ministry of Justice)		

Proposed Development Objective(s)

To improve corporate transparency through implementation of beneficial ownership disclosure in public procurement in Nigeria.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>0.50</b>

**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]**

This project will support the development of Beneficial Ownership Transparency (BOT) policy enhancements, a corporate registry, a data management process, and stakeholder engagement and communication within the Corporate Affairs Commission (CAC) in Nigeria. Expenditures will include staffing, consultancies, software development, and communications.

**D. Environmental and Social Overview**

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]



Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social) The project provides Technical Assistance (TA) to Corporate Affairs Commission (CAC) which is the sole Company Registry in Nigeria. The CAC has offices in all the 36 states of Nigeria. The aim of the TA is to increase its transparency and reduce scale of corruption which arises from complexity of its operation. The CAC has engaged closely with other government agencies, the National Assembly, business and civil society as part of the process of building support for a public central register. The success of this exercise will depend on stakeholders (private and public sectors) acceptance of the proposed reform. The likely social risk in this assignment may arise if concerned stakeholders are not engaged early enough and this could lead to loss of confidence and ownership of the process amongst others.

D. 2. Borrower’s Institutional Capacity

Although no significant environmental and social (E&S) risks and impacts are anticipated through implementation of the project, The government of Nigeria has adequate legal and institutional frameworks to assess and manage E&S risks and impacts

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

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

First component of the Project involves development of policy framework, which will encompass beneficial ownership disclosure requirements and processes and data formats/standards, as well as compliance and verification considerations, interoperability with other government systems and scalability. The outcome of this component will be improved BOD systems. No major environmental impacts are expected as a result this policy development component.

Second component of the Project includes development of the electronic Beneficial Ownership Register Portal (eBORP), a data management framework, and a business process re-engineering plan (such as design and construction of the online portal and the processes for operating it, etc.) including training of internal staff and external users. This component might include computer systems, electrical power supplies for these systems etc. Therefore, energy efficiency, GHG emissions, e-waste handling and disposal will be relevant, although not deemed significant, and need to be managed and mitigated according to ESS3 requirements of the ESF and WBG General EHS Guidelines.

Social Risk Rating

Low

Based on information made available in Component 3, the project is to increase efficiency in the system through raising awareness of the reforms both internally within Government and externally with business and civil society. The risk here may arise from not engaging the stakeholders early enough in the course of project preparation. To this end, the risk will be managed and mitigated in accordance with requirements of ESS10 of the ESF on stakeholder engagement and information disclosure. In view of few or no adverse risks to and impacts on human populations, the social risk rating is, at this stage, classified as low.

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

B.1. General Assessment

Public Disclosure



## ESS1 Assessment and Management of Environmental and Social Risks and Impacts

### **Overview of the relevance of the Standard for the Project:**

Environmental risks are expected to be low and their mitigation will be guided by national and local laws and procedures. Construction or civil works are not envisaged in this project. The second component of this project might include computer systems, electrical power supplies for these systems etc. Therefore, energy efficiency, GHG emissions, e-waste handling and disposal will be relevant. No significant environmental risks and impacts are anticipated.

Assessment and management of social risks will be required for the proposed third component of this project which is to raise awareness of the reforms both internally within Government and externally with business and civil society. The project will prepare a Stakeholder Engagement Plan (SEP) including a Grievance Redress Mechanism (GRM). This instrument will be consulted upon and disclosed during project preparation.

In addition, a Labor Management Procedure will be prepared as part of the Environment and Social Management Plan (ESMP) with measures to address environmental and social risks identified in the project.

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

No. this project shall be guided by the World Bank’s ESF.

## ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder engagement is a critical tool for social and environmental risk management, project sustainability and success. In consultation with the Bank the client will prepare and implement an inclusive Stakeholder Engagement Plan (SEP) proportional to the nature and scale of the project and associated risks and impacts. A draft of the SEP will be prepared and disclosed as early as possible and prior to Appraisal. The client will seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format and location) and through channels that are suitable in the local context. If major changes are made to the SEP, a revised SEP will be publicly disclosed as soon as possible.

The objective is to establish a systematic approach for stakeholder engagement, maintain a constructive relationship with them, considering stakeholders’ views, promote and provide means for effective and inclusive engagement with interested parties throughout the project life-cycle, and ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner. The project will set up a project-specific Grievance Redress and Feedback Mechanism for people to report concerns or complaints, if they feel unfairly treated or are affected by any of the sub-projects.

## 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. The project has offices in all the 36 states of the country with wide range of direct workers including civil servants involved. There is also potential for primary suppliers and contractors for Component 2. In essence, a Labour Management Procedure will be prepared as part of the ESMP.

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

This standard is relevant. The second component of the Project includes development of the electronic Beneficial Ownership Register Portal (eBORP), a data management framework, and a business process re-engineering plan (such as design and construction of the online portal and the processes for operating it, etc.). This component might include use and installation of computer systems, electrical power supplies for these systems etc. Therefore, energy efficiency, e-waste handling and disposal might be relevant and need to be assessed and managed according to requirements of ESS3 of the ESF and WBG General EHS Guidelines. The project is not significant user of water or other raw materials. The project is not significant GHG emitter and therefore no GHG emission estimation is required.

**ESS4 Community Health and Safety**

This standard is not relevant, and this is based on the objective of the project as stated above

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

The standard is not relevant. Land acquisition, restrictions on land use and involuntary resettlement are not expected because of project activities.

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

Not relevant at this stage, as the project does not involve biodiversity conservation and sustainable management of living natural resources

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

This standard is not relevant. There are no Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in the project area.

**ESS8 Cultural Heritage**

Not relevant at this stage, as the project will not finance activities that will affect cultural heritage.

**ESS9 Financial Intermediaries**

Not relevant. This project is not an FI operation.

**B.3 Other Relevant Project Risks**



There are no identifiable risk at this stage

**C. Legal Operational Policies that Apply**

<b>OP 7.50 Projects on International Waterways</b>	No
<b>OP 7.60 Projects in Disputed Areas</b>	No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

This will not be financed by any other partner

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

**Actions to be completed prior to Bank Board Approval:**

- Preparation, consultation and disclosure of a draft Environmental and Social Commitment Plan (ESCP);
- Preparation, consultation and disclosure of a draft Stakeholder Engagement Procedure (SEP), including draft GRM (prior to Appraisal).
- Preparation of a Labor Management Procedure (LMP) as part of the Environment and Social Management Plan (ESMP)

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Institutional arrangements for the management of ESS standards.
- Preparation of the Environmental and Social Management Plan (ESMP) with measures for addressing the environmental and social risks identified in the project. This will be prepared in accordance with ESS1.
- Review of TORs for relevant TA activities to integrate E&S risk analysis and management into the development of policies.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS** 15-Apr-2020

**IV. CONTACT POINTS**

**World Bank**

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Public Disclosure



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**Borrower/Client/Recipient**

Borrower: The Corporate Affairs Commission (CAC)

**Implementing Agency(ies)**

Implementing Agency: OGP Secretariat (Ministry of Justice)

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

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