Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 06-Nov-2019 | Report No: PIDISDSA27070

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Ghana	P170910	Ghana eTransform Project - Additional Financing	P144140

Parent Project Name	Region	Estimated Appraisal Date	Estimated Board Date
GH eTransform Ghana	AFRICA	17-May-2019	23-Apr-2020

Practice Area (Lead)	Financing Instrument	Borrower(s)	Implementing Agency
Digital Development	Investment Project Financing	Ministry of Finance	Ministry of Communications

Proposed Development Objective(s) Parent

The Project Development Objective of the eTransform Project is to improve the efficiency and coverage of government service delivery using ICT.

Components

Component One - Enabling Environment for Digital Ghana
Component Two - Support for Digitization and Connectivity
Component Three - Launch and scale up of priority digital services and applications
Component Four - Project Management
Contingency and provision for exchange rate losses

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	40.00

IDA Credit	40.00

Environmental Assessment Category

C-Not Required

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Ghana is a middle-income country which has performed well in the last two decades, with economic growth slowing in recent years.** Between 2005 and 2012, the Ghanaian economy grew an impressive 7.7 percent per year on average, with an annual job creation rate of 4.0 percent, meaning that every 1 percent increase in economic growth was associated with 0.5 percent increase in job growth. Economic growth has largely been driven by commodity exports (cocoa and gold, for which prices more than tripled between 2000 and 2010) and the start of commercial oil production in 2011. However, GDP growth rates slowed between 2012 and 2016, averaging 5.6 percent (with a low of 1.6 percent in 2015), before picking-up again to 8.5 percent in 2017.

2. **Dependence on commodities results in volatility and non-inclusive growth.** Ghana's commodity driven growth has increased economic volatility with cyclic volatility costing Ghana about 0.3 percent of growth per year during 2000–2015, and as much as 0.7 percent per year in the early 2010s.[1] Moreover, while growth rates are still high, their impact on poverty has dramatically slowed since 2012. As emphasized by the recent SCD for the country, Ghana's largest fall in poverty, 2 percent a year, was experienced during 1991–1998. As growth accelerated, however, the annual reduction in poverty rate fell to 1.4 percent in 1998–2005 and 1.1 percent in 2005–2012. Between 2012 and 2016, the poverty rate declined by only 0.2 percent per year, and stood at 23.4 percent in 2016[2]. This may reflect the declining contribution of agriculture, in which the majority of poor households are engaged, the limited job opportunities for higher productivity in the services sector, and a largely capital-intensive industrial development in commodity focused sectors.

3. **Ghana needs to invest more, diversify, and increase productivity – in short, accelerate *economic transformation*, if it is to achieve higher and inclusive growth.** Ghana's medium-term prospects are strong: GDP growth was 8.5 percent in 2017[3] and is projected to be 7.5 percent in 2018, assuming fiscal consolidation

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[1] Ghana SCD 2018.
[2] Ibid.
3 Trading Economics Magazine, https://tradingeconomics.com/ghana/gdp-growth-annual

remains on track. However, the "lack of structural transformation and economic diversification" are the key challenges to achieve inclusive development for commodity-dependent developing countries such as Ghana[4]. The oil and gas sector is expected to continue to be the main driver of growth, with a recovery of commodity prices in the medium term further boosting exports earnings. However, at 16.7 percent of GDP during 2014–2016, Ghana's overall gross capital formation is low compared with its structural and aspirational peers and productivity growth remains limited. According to the World Bank Long-Term Growth Model, even if investment levels reached 25–30 percent of GDP—moderately higher than the historical average of 20–25 percent—the predicted per capita growth would not go much beyond the 1.7–2.5 percent range, barely keeping up with the projected 2.2 percent population growth. This suggests that raising overall productivity, in addition to higher investments in non-traditional (non-extractive) sectors, will be critical to ensuring that growth is inclusive and achieves poverty reduction.

4.   **The current government's strategy is to transform the Ghanaian economy to achieve inclusive and sustainable growth, with the private sector as the main driver.** In the words of Ghana's President, the aim is to "build the most business-friendly economy in Africa" and foster the competitiveness of Ghanaian firms. To achieve this, the government's agenda includes: reforming the energy sector; improving trade facilitation and the business environment; investing in infrastructure; and diversifying beyond primary products (hydrocarbons, gold and cocoa).

Sectoral and Institutional Context

5.   **Ghana has demonstrated significant progress in enabling access to digital technology to stimulate growth across multiple sectors of the economy.** A combination of factors including a competitive market structure, an increase in private sector investment in communications infrastructure, and a reduction in telecommunications prices, at the wholesale level, has been instrumental in fueling innovation and driving economic growth**.** Liberal policies and strategic initiatives for private sector participation have paved the way for the creation of a highly competitive mobile and internet market in Ghana. The government has undertaken a series of policy and infrastructure-related reforms in recent years. The National Telecom Policy; the Data Protection Act; the Electronic Transaction Act; the Electronic Communications Act; implementation of a fiber optic bone are some of the initiatives which should put Ghana on a more solid footing for sustained economic growth, improved service delivery, and effective policy-making to fuel a digital economy.

6.   **Available data on Ghana are not consistent but estimates indicate that the sector currently contributes around 5 percent of GDP and some 7 percent of Government revenues**[5]. Strong competition has resulted in near ubiquitous mobile coverage and a high mobile penetration rate of 130 SIM cards per 100 inhabitants, compared to an average of 80 in the rest of Africa. The country's internet penetration of about 36 percent is notable, albeit only slightly above the Africa regional average. Although less advanced than in East Africa, mobile money usage is growing and uses are expanding from pre-paid utility services to purchases of goods and cash transfers to rural communities. Digital technologies are driving innovation, creating jobs, and transforming businesses in Ghana. Apart from the direct contribution of the ICT sector to Ghana's GDP, there are several indirect contributions in terms of demand for ancillary and support services and industries. As the ICT sector generates demand in, for example, real estate, hardware, security, transportation, telecom, hospitality industry, the actual contribution to GDP is estimated to be much higher.

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[4] UNCTAD Commodity Markets, Economic Growth and Development Report 2017
[5] GSMA

7. **Ghana's proactive policy and regulatory interventions have been key to the relative success of the reforms and progress made to date.** Several policies have been put in place to strengthen competition[6] and establish foundational legal framework. Key legislation has been passed to strengthen the National Communications Authority (NCA) and other regulatory institutions and safeguard electronic communications and transactions. Ghana Investment Funds for Electronic Communications (GIFEC) provides universal service and access to underserved and rural communities, and the National Information Technology Act (NITA) is mandated to create an enabling environment for effective deployment and use of ICT by all public-sector institutions/organisations.

8. **At the international level, Ghana has one of the most competitive markets for international capacity in the region**. There are five submarine cable landings in the country providing over 18 Terabits per second (Tbit/s) of capacity. At the national level, five[7] regional mobile operators, (MTN, Vodafone, Airtel/Tigo, Expresso and Glo) continue to make significant investments in terrestrial backbone and last mile infrastructure. Improved international connectivity, which has been promoted through the eTransform project, has resulted in a drop-in wholesale bandwidth prices to below one-fifth of their previous level, and relatively cheaper retail prices to end-users. This is in turn fueling innovation and investment in the broader ICT sector, including in IT and IT-enabled Services (ITeS).

C. Proposed Development Objective(s)

Original PDO

9. The Project Development Objective of the eTransform Project is to improve the efficiency and coverage of government service delivery using ICT.

Current PDO

10. The Project Development Objective of the eTransform Project is to improve the efficiency and coverage of government service delivery using ICT. (No change).

Key Results

11. The speeding up of disbursement under the project, since the restructuring in January 2018, has helped with an improvement in the results achieved, and a number of sub-components of the original program have recently completed activities.

   • The eProcurement program (sub-component 3.7) went live on 30 April 2019. It is estimated that it will lead to savings of up to US$100m for the Government through more efficient procurement;
   • The eJustice program (sub-component 3.6) which promotes paperless courts, went live in March 2019 and has already processed more than 34,000 cases digitally;
   • The program is also supporting a paperless Parliament (Sub-component 3.5), which will go live in October 2019, and the more efficient processing of entries and exits at the airport and issue of visas (sub-component 3.8);

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[6] ICT4D Policy (2003), the pro-investment National Telecom Policy (2004) and National Broadband Policy (2012)

[7] Reduction from 6 to 5 players to reflect the recent merger of Airtel and Tigo

- The international bandwidth available to Government has increased from 2.5 to 10 Gbit/s under the program, with a further 10 Gbit/s supplied to the higher education sector, and will increase further under the AF;
- Three tech hubs have been funded under the program, two in Accra and one in Kumasi, and in the first year of operation have already provided training to over 1'800 people, with an even mix between men and women.

D. Project Description

12. The eTransform Ghana project (P144140) is an IDA-funded IPF worth US$97 million. The Project Development Objective (PDO) is *to improve the efficiency and coverage of government service delivery using Information Communication Technologies (ICT)*. The main client is the Ministry of Communications (MoC), where the project implementation unit (PIU) is located. There are around a dozen beneficiary agencies, notably the National Information Technology Agency (NITA), Parliament, the Ministry of Justice and the Ghana Immigration Services (GIS).

13. Project implementation started in January 2015 and initially proceeded well. But disbursement slowed because of uncertainty over the implementation of a national digital ID program. Ultimately, the Government of Ghana decided to fund this component from its own resources and requested a restructuring of the project in mid-2017. The restructuring was completed in January 2018, without changing the PDO, and saw the digital ID component dropped with other activities being added or scaled up. In particular, the digitization and connectivity activities, which were previously dispersed throughout the program, were grouped together in a revised component 2. Several new activities were introduced, including on cybersecurity, support for higher education connectivity, automated HydroMet stations, repurposing of post offices and support for automation of functions within the Ministry of Communications.

14. The mid-term review (MTR) for the program was conducted from November 26 to 5 December 2018. The MTR mission recommended that the program ratings for PDO and Implementation Progress (IP) be upgraded to "Satisfactory" and this was approved in the implementation status report (ISR) dated 19 March 2019. By a letter sent from the Ministry of Communications (MoC) via the Ministry of Finance (MoF), the Government of Ghana has requested US$32.8m in additional financing for eTransform Ghana. The letter of request notes three main justifications for the additional financing request:

    a. To accommodate the shortfall between the original budget estimate (US$97m) and the value of bids received, notably for activities under sub-components 2.1 Digitization and 2.2 Connectivity. The Government's ambition for these two activities has expanded. In particular, the Government has requested that the connectivity transaction cover backbone connectivity initially to all 69 District Centers, including Regional Capitals, and that it supports implementation of the Ghana Integrated Financial Management Information System (GIFMIS), Tax Revenue Integrated Processing Systems (TRIPS) and other eGovernment services and applications;
    b. To scale-up successfully completed project activities, notably those for the Ministry of Justice;
    c. To provide a project preparation facility for the Ghana Digital Acceleration Program, which is part of the broader Digital Transformation initiative.

15. The project development objective (PDO) of the eTransform Ghana program is "to improve the efficiency and coverage of government service delivery using ICT." This is still valid, and no change is proposed for the Additional Financing. In line with the rationale for additional financing described above, and on the basis of discussions with the client, during a mission carried out in March and the appraisal mission from May 13-16, 2019, a number of activities were suggested to be included under the Additional Financing for scale-up, The list was further revised following the Decision Meeting, held on July 30, 2019, when the total appraised amount was raised to US$40m. The activities for Additional Financing are listed in Table 1.

Table 1: Summary of activities proposed for inclusion under the Additional Financing

Ref.	Activity	Original allocation (US$'000)	Proposed additional financing (US$'000)	Comments
1.1	Additional security for data center	1,250	100	Amendment to existing contract
1.2	Data analytics and visualization software for Open Data	450	250	Amendment to existing contract plus additional software
1.3	Managed services extension and additional training for the eVerification and Authentication system	4,000	400	Amendment to existing contract
1.5	Innovation ecosystem scale-up	3,500	1,500	Scale up of ongoing program
2.1	Digitization (GIS and OAG activities)	6,500	2,700	Procurement completed
2.2a	Connectivity (Lot 1: Backbone Connectivity to District Centers)	3,300	8,900	Procurement completed
2.2b	Connectivity (Lot 3: Managed services extension to Security Operations Center)	2,600	550	Amendment to existing contract
3.3a	Campus networks at University of Health and Allied Sciences (UHAS) and University of Energy and Natural Resources (UENR)	3,500	1,500	Scale up of ongoing program
3.3b	Ghana Research and Education Network (GARNET) scale up	340	1,400	Scale up of ongoing program
3.4	Upgrade of eRegistrar system in Registrar General's Department (RGD)	500	1,000	Amendment to existing contract
3.6	Integrated Information Management System for OAGMoJ	2,280	3,800	Scale up of ongoing program, Procurement completed

3.6	eJustice (Phase 2), extending case management system to Appellate Courts and all High Courts nationwide	3,300	8,000	Scale up of ongoing program, Procurement completed
3.7	eProcurement, scale-up from 6 sites to whole of Government	4,500	4,500	Scale up of ongoing program, Procurement completed
3.8	Ghana Immigration Services (GIS) relocation of eGates from T2 to T3, and managed services extension	16,300	2,900	Amendment to existing contract
4	Ghana Digital Acceleration Project (Moonshot) Preparation Facility	0	2,500	Support to existing project implementation unit
	Total Additional Financing	***97,000,000 ****	***40'000***	

Note: * Original project total includes activities not included such as PIU costs, contingency reserve and activities not included in additional financing.

Component 1: Enabling Environment for Digital Ghana

16. The objective of component 1 is to create an enabling policy and regulatory environment for the development of digital services in Ghana. This component has been progressing relatively well, and as of July 2019, several activities have been completed, or are near completion. Those activities whose budget would increase as a result of the additional financing include:

- Cloud Storage. . Some **US$100k is requested from the additional financing** to cover the additional costs of security for the data center.
- Open Data Platform. Tendering for this activity was completed in June 2018. The project is largely completed, though some training still remains to be finished. Some **US$250k from the additional financing** is requested.
- Authentication and verification system. This was a new activity, introduced at the time of the restructuring. Tendering for a system based on Public Key Infrastructure (PKI) was completed in August 2018 and this project is now largely delivered, but is awaiting some process modifications, including a risk assessment and a key ceremony, before it can go live. **An additional US$0.4m in additional financing is requested** to provide for an extension to the managed services contract and additional user training. This will cover an extended period of two years for implementation of the PKI operations.
- Innovation Ecosystem. Competitive tendering for an Innovation Hub (iHub) and a Mobile Applications Lab (mLab) hosted at Accra Digital Center was completed in June 2018 and a second iHub grant was awarded in Kumasi. All three tech hubs have kicked off activities well, and the second round of grants for the Accra-based hubs were released in May 2019 following achievement of agreed benchmarks. **An additional US$1.5m in additional financing is requested** to support the scale up of activities at the two Accra-based tech hubs, including provision of additional training and sub-grants to youth start-ups. All grants administered by the tech hubs will follow the requirements of the Grants Manual, which was defined at an early stage of the program and which was given to the tech hubs during the contracting phase. In particular, the tech hubs will be tracked for their success in providing training and grants that are gender balanced, with equal opportunities for men and women. In addition, a further US$283k is requested to cover

rehabilitation costs at the Accra Digital Center dating from the eGhana project. This would be covered using retrospective financing from the exchange rate reserve.

17. In total, **the budget for Component 1 will expand by US$2.25m under the additional financing,** plus a further US$0.290m from the contingency for exchange rates losses, increasing the allocation for component 1 from US$18.72m to US$21.26m (+13.6 per cent).

Component 2: Support for Digitization and Connectivity

18. The objectives of component 2 are to digitize a selected number of government processes and to increase substantially the bandwidth available to Ministries, Departments and Agencies (MDAs), including in rural areas. This component was substantially revised during the restructuring, when the Digital ID component was dropped, and digitization and connectivity activities scattered throughout the program were grouped together under this component, to benefit from demand aggregation and economies of scale. Nevertheless, the ambition of the government for what could be achieved proved to be considerably greater that what could be funded under the original program. The gap between aims and means became evident when competitive tendering was launched. This activity is therefore proposed to be scaled up under the additional financing.

- Digitization of public records. The aim of this activity is to allow beneficiary organizations to scan, index, and electronically manage paper records, and to set up searchable and easy-to-use electronic databases An initial feasibility study was completed in March 2018 which identified potential beneficiaries. Following a competitive tendering process, it was decided to move ahead with three digitization projects in the Judicial Service of Ghana (JSG), the Registrar General's Department (RGD) and the Births and Deaths Registry (BDR). These would be funded under the original program. However, planned digitization at the Ministry of Health has been dropped, and digitization of the records of the Ghana Immigration Services (GIS) and the Office of the Attorney General (OAG) will be **conducted under the additional financing, at an estimated cost of US$2.7m.**

- Connectivity. This activity, which was created through a clustering of previously separate actions at the time of the restructuring, has been greatly expanded. Hitherto, different government departments have acquired connectivity under *ad hoc* arrangements, on small monthly contracts from commercial suppliers, and in some cases MDAs have even built their own networks. The new philosophy being applied is demand aggregation and pre-purchase of capacity, for government as a whole (MDAs, schools and hospitals) under so-called "Indefeasible Rights of Use" (IRU) for 5-10 years. This ensures value for money, with competitively tendered contracts with the private sector ensuring long-term supply agreements with Government. They include the Ghana Integrated Financial Management Information Systems (GIFMIS), which is crucial for the efficient functioning of Government. Government users therefore benefit from service level agreements (SLA) with vendors while the private network providers are incentivized to invest in higher bandwidth capacity service more locations. Competitive tendering for the connectivity transaction was undertaken in Four Lots:

  Lot 1: Backbone connectivity to some 69 District Centers around the country. An initial phase with US$10m funding has gone ahead, of **which US$8.9m is covered by the proposed additional financing.** The remaining 185 District Centers will be served under GDAP.

> **Lot 2: Last Mile Connectivity.** This is the most ambitious part of the program, with service to 2,000 plus locations around the country. In view of the high cost following tendering, this will be deferred to GDAP.
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> **Lot 3: Security Operations Center**. This contract has been awarded to the leading bidder, using funds from the original project. **Under the additional financing, an extended managed services contract will be purchased for US$0.55m** to allow for a longer period of vendor support
>
> **Lot 4: International bandwidth.** This contract has been awarded to the leading bidder, using funds from the original project.

19. Overall, **some US$12.15m is proposed under additional financing for component 2, increasing the allocation from US$11.58m to US$23.73m** (ie +104.9 per cent). As the procurement lots described above are carried out on the basis of pre-payments for internet capacity (not direct purchase of networks), therefore no works or construction would be financed directly under the program.

Component 3: Launch and scale-up of priority digital services and applications

'19. The objective of this activity is to enhance the delivery of government services using ICT. There are a large number of beneficiaries and activities range from pilot programs and proof of concept, to full-scale implementation. The priority activities selected are closely aligned with the digitization and connectivity activities under component 2. Six of these activities will benefit from additional financing.

a) Digital Universities: As originally formulated (Tertiary Institutions Access Program), this activity brought connectivity and campus WiFi networks to eight universities and colleges, benefitting almost 100,000 students, with the investment program completed in 2017. It is proposed to scale up this activity by installing campus networks at two additional universities – University of Health and Allied Sciences (UHAS) and University of Energy and Natural Resources (UENR) – at an estimated cost of **US$1.5m under additional financing**.

b) Also under Digital Universities, it was agreed during the restructuring to support the Ghanaian Academic Research Network (GARNET) by pre-paying its membership fee for the EU AfricaConnect 2 program. This activity disbursed quickly and brought additional internet capacity of around 10 Gbit/s to more than 200'000 students at 18 universities and colleges, both public and private. GARNET also formalized its governance structure to reflect open access principles and to function as a specialized internet service provider for the higher education sector. **It is proposed to make available a further US$1.4m in additional financing to GARNET** to enable it to improve the quality of service offered, to serve additional universities, to pre-pay membership fees for EU Africa Connect 3, and to employ dedicated staff (rather than volunteers).

c) Digital Services: This activity is intended to improve the back-office functions of NITA, in how it serves government MDAs. Currently six government eServices are fully operational on the e-service platform. **A further US$1m is proposed under the additional financing** to the Registrar General's Department to upgrade the eRegistrar function.

d) eJustice: The eJustice activity is intended to digitize the case management system at the High Courts in Accra and to digitize records. The project was completed in early 2019 and the system was officially launched by the President of Ghana on 20 March 2019. This has been one of the most successful activities undertaken under eTransform, with roll-out completed in all 43 high courts in Accra and more than 8'800 cases filed through the system to date. Two activities are planned for scale up under the additional financing. **Some US$3.8m is allocated for extending the case management system also to the Ministry of Justice and Office of the Attorney-General (MOJAGD).**

e) Also under eJustice, **a further US$8.0m is allocated for a Phase 2 of the original program** which will see it extended countrywide, to all high courts, the appeals courts and the Supreme Court, and to the Circuit Courts.

f) eImmigration. The application provides secure entry and exit for all visitors and residents to Ghana at some 10 entry points, including the international airport, seaports and border crossings. It covers issue of visas, work permits and biometric identification, as well as interconnection between the Ghana Immigration Service (GIS) and other national and international agencies. The Secure Border Management System (SBMS) went live on December 6, 2018. The visa management system has been operational since February 8, 2019. However, in order to assure maximum value from the system, **some US$2m in additional financing is required** to transfer the eGates installed in Terminal 2 to the newer Terminal 3 and to extend the managed services contract by six months.

20.   Overall, **some US$23.1m is proposed under additional financing for component 3, increasing the total allocation for this component from US$50.66m to US$73.76m** (+45.6 per cent)..

E. Implementation

Institutional and Implementation Arrangements

21. Project management is assured by a project implementation unit (PIU) located within the Ministry of Communications (MoC). Although the unit has been operating at below its full staffing allocation for some time, it is nevertheless performing satisfactorily with procurement, financial management, monitoring and safeguards all rated "satisfactory". The efficient management of the project by the PIU is the main reason for the significant increase in disbursement since the commencement of the restructuring, in August 2017, and the successful upgrade in ratings from MU to S during that period.

22. The Country Management Unit (CMU) has confirmed that the existing PIU within the Ministry of Communications should lead the task of preparing and eventually implementing the new "Ghana Digital Acceleration Program" (GDAP), planned for approval by the WBG Board in FY21, as part of the Digital Economy Transformation Initiative for Africa. The Transformation Initiative, sometimes known as the "Moonshot" sets a number of goals, including achieving universal broadband access by 2030 with an interim goal of doubling broadband penetration by 2021. To that end, **some US$2.5m is allocated to component 4 under the Additional Financing** as a project preparation advance for the GDAP. The additional financing will also enable the PIU to continue operating to the new planned closing date for the program, on 31 October 2021, by which time GDAP should be launched. Overall, **the allocation for Component 4 increases under the AF by US$2.5m from US$7.5m to US$10.0m (+33.3 per cent).**

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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Ghana

G. Environmental and Social Safeguards Specialists on the Team

Asferachew Abate Abebe, Environmental Specialist
Alidu Babatu Adam, Social Specialist
Sarah Antwi Boasiako, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The eTransform Project is largely focused on electronic applications and is likely to have minimal environmental impact. It is anticipated that a scaled up use of ICT applications and services in the country will increase energy use since activities which were previously executed manually will be replaced with the use of electronic systems. Pollution from e-waste in terms of its disposal and management of the potential hazardous substances could therefore be anticipated. However, it can be said that the negative environmental impacts expected from the project within the ESMF are minimal. The Additional Financing does not introduce any new elements that were not considered under the original program, and rather it is a scaling up of selected activities that were deemed successful. The intervention mechanism proposed for Component 2 involves the pre-purchase of internet capacity from private sector providers. Thus, no new construction, civil works, cabling or movement of earth is financed by the program.

This original eTransform project did not trigger any environmental safeguards and was rated "Category C". There are no adverse environmental impacts expected from this additional financing, and based on environmental screening according to OP 4.01 (Environmental Assessment), the additional financing is not anticipated to have any environmental safeguard issues and was rated Category C. No environmental assessment instrument needs to be prepared. However, as the project may include some limited the replacement of ICT equipment, a plan for proper disposal or continued use of this equipment will be prepared.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
None anticipated

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Team and clients to ensure that energy efficient resources with minimum negative environmental impact are used.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
Borrower has already implemented a similar project and quite familiar with safeguard policy issues and mitigation plans. Borrower already prepared an ESMF which outlines the principles, the institutional arrangements and identifies the potential negative environmental impacts. The ESMF also include management plans for addressing the potential negative impacts, which have been classified as minimal and reversible. There is also capacity building arrangements for relevant staff of the project team and implementing entities to ensure full comprehension prior to and during project implementation. The ESMF was prepared since the specific location of activities that would have such impacts were not known at the time of appraisal. During implementation when these sites have been identified and agreed on, follow up management plans will be elaborated using the outlined one in the ESMF to address specific issues.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Key stakeholders include Ministry of Communications, NITA, Ministries of Education & Health, the Births and Deaths Registry, the Attorney-General's Office and the Judiciary. Borrower has had public consultations to discuss ESMF as well as published the ESMF in reputable local newspapers.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

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