



# Environmental and Social Review Summary

## Concept Stage

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

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**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Madagascar	AFRICA	P169413	
Project Name	MG-Digital Governance and Identification Management System Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing	10/7/2019	12/19/2019
Borrower(s)	Implementing Agency(ies)		
Ministry of Finances and Budget	Programme de Réforme pour l'Efficacité de l'Administration		

Proposed Development Objective(s)

The Project Development Objective to increase inclusive access to legal identity and to improve service delivery in selected sectors.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>150.00</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]**

The proposed project is structured around four mutually reinforcing components that support: (1) creation of a unified identity management system through the modernization of civil registration and identification systems; (2) establishment of core digital government platforms and services for public service delivery, (3) development of selective aspects of the digital economy, and (4) project management. The establishment of an efficient and citizen-centric identity-management system (component 1) and the effective delivery of digital government services (component 2) are mutually dependent. The rolling-out of ID cards compatible with digital authentication depends on robust electronic government systems. Conversely, effective digital government services are not only substantially

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enhanced by identity management systems, but also depend on them for the digital transformation of transactions between the government and citizens and businesses. The digital economy component (3) provides an ecosystem that favors cost-efficient procurement of digital goods and services, while promoting local SMEs and startups. Effective project management (component 4) ensures the necessary coordination and change-management processes are carried out in a timely and effective manner. The project is expected to have 04 components: \* Component 1 - Creation of a Consolidated Identity Management System: This component seeks to address the shortfalls and inefficiencies of the current identity management system. The objectives are to: (i) facilitate and secure access to civil registration services and legal identity for all citizens; and (ii) provide the institutional and technological underpinnings to support streamlined access to public services and benefits, as well as digital government efforts. The main beneficiaries of this component will be institutions in charge of civil registration and identity management across the country, including the Ministry of Interior, Local Government and Local Tribunals. \* Component 2 - Digital and Mobile Government Services: This second component seeks to address and improve digital governance issues that lead to poor outcomes in governance and service delivery. The objectives are to: (i) mainstream a demand-driven and user-centric approach to service delivery, thereby improving efficiency and citizen satisfaction; and (ii) increase the coverage and quality of public services offered through multiple channels (web, phone and in-person). \* Component 3 - Promoting the Domestic Digital Economy: The third component seeks to strengthen the connectivity, human capital and business environment required to promote Madagascar's digital economy. The objectives of this component are to: (i) increase local governments' connectivity, ii) lower the barriers for formalization of tech startups and SMEs, and (iii) incentivize participation of startups and SMEs in public contracts of digital goods and services. \* Component 4 - Project management and implementation: The main objectives of this component are to reinforce project implementation capacity, support operating costs related to project management and provide equipment for project management. Effective project management ensures the necessary coordination and change-management processes are carried out in a timely and effective manner.

#### D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]  
The project is at National level. Thus, the project concerns the 1 695 communes of all regions of Madagascar which will benefit from the roll-out of the civil registration tools and digital systems. With the Unique Identifier Number, this project targets all Malagasy people, including the newborns and the current population (paper registered), as well as all companies. In addition, everyone born in the Malagasy territory, even the non-citizen, will also have access to civil registry according to Target 16.9 of the SDGs : Universal legal identity and birth registration, ensuring the right to a name and nationality, civil rights, recognition before the law, and access to justice and social services. However the project will consider that more than 70% of the population of Madagascar is living rural municipalities with non negligible part in remote area and could be excluded by the project. In order to ensure data protection of beneficiaries, this project pays particular attention to the legal framework on personal data protection and usage, and the associated enforcement modalities. The project will implement government digital services platforms and applications to support service delivery in selected sectors across the country while setting up the digital governance framework and infrastructure, and fostering digital entrepreneurship. The project will mobilize consultants and civil servants across ministries, accounting approximately 100+ persons. They will be in charge of designing and maintaining new government systems provided by this project. On the social side, the country has an imbalance between urban and rural areas, wealthy people and other groups, in the area of internet accessibility. The project will focus on citizen centric digital use and thus will implement simple and usable solutions adapted to users and general environment capabilities in order to avoid the digital divide.



**D. 2. Borrower’s Institutional Capacity**

This proposed project will be implemented nationally by the project Management Unit: PREA (Programme de Réforme pour l’efficacité de l’administration) based within the President’s Office. PREA will be responsible for coordinating project implementation by working closely with ministries and other project stakeholders. Key partners include the Presidency, the Ministry of Interior, and the Ministry of Justice as well as all municipalities that will implement the reform at the local levels and deliver actual services. The Project Management Unit (PREA) is familiar with implementing World Bank projects. The PREA has implemented two previous Governance and Institutional Governance Project (I and II) and the Public Sector Performance Project while also serving as the anchor unit of all donor-funded public sector reform projects. PREA has currently an operational GM which is on line with World Bank standards. PREA does not have in-house safeguard specialist and has limited capacity on ESF implementation due to the nature of the projects. . Under the ongoing governance project (P150116) project, all safeguard aspects have been implemented and monitored at LDF Department (Local Development Funds) with the support of a consultant. PREA is currently in the process of recruiting an E&S specialist. Recruitment will be finalized during the preparation of the project. The relevant staff and consulatnts will be trained on required E&S impact and risk management prior to implementation and on ongoing basis.

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

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

Moderate

**Environmental Risk Rating**

Low

In line with the Environmental and Social Framework (ESF) the environmental risk rating (ERR) is considered to be Low. The project activities potential adverse risks to and impacts on human populations and/or the environment are likely to be minimal or negligible. However, with the increase of the use of electronic equipment necessary for the implementation of digital governance, the management of waste electrical and electronic equipment (WEEE) will become increasingly crucial over the years. Thus, the development of a WEEE management framework should be initiated by the launching of the project, with the involvement of all stakeholders, to identify and define an appropriate way of collection, treatment and eliminate of these types of waste.

**Social Risk Rating**

Moderate

The social risk rating (SRR) for this project is considered to be moderate. It is expected that the project activities will have strong positive social impacts by guaranteeing the access of a large number of people to digital governance. The potential social impacts and risks are not likely to be significant, as no adverse social risks or impacts related to land access, community health & safety or cultural heritage have been identified for the project. However the introduction of digital governance could potentially lead to a greater risk in the security and confidentiality of personal data collected, misunderstanding by the public facing the proliferation of these new management tools, and a digital divide between the different government units, regions, rural and urban areas, and between populations with access to the Internet and those without, especially the vulnerable groups and people in remote areas. The project as currently presented does not yet provide enough information on the type of targeted vulnerable group, in accordance with the PDO. Therefore, this highlights the need to ensure that the maximum, if not all, vulnerable groups (such as persons with disabilities, gender/sexual minorities, ethnic minorities, people living in remote or isolated areas, etc..) will be involved and will benefit from the project in order to ensure the principle of inclusion and non-discrimination. Moreover based on experience from current project in Madagascar (Statistic project P160071)

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where cases of sexual harassment were reported during recruitment of enumerators, the project may also deal with potential labor conditions, sexual harassment, intimidation and risks amongst employees mainly related to the mobilization of consultants, services servant and other contractor by the project. Finally, the current Project Management Unit (PMU) does not currently have environmental and social risk management capacity. The PMU will recruit an environmental and social safeguard specialist and implement ongoing capacity building trainings for project staff and consultants.

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

### **B.1. General Assessment**

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

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

From the preliminary review carried out at this concept stage, the project does not involve any activities that could generate significant and irreversible environmental and social impacts. However, the country does not have a clearly defined WEEE framework. The potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. Indeed no adverse social risks or impacts related to land access, community health & safety or cultural heritage have been identified for the project. The project may, however, deal with potential labor conditions and sexual harassment and intimidation risks amongst employees mainly related to the mobilization of consultants, services servant and other contractor (it is expected that the implementation of the project will need recruitment of 100 workers mainly specialized on digitization) by the project. The introduction of digital governance could potentially lead to a greater risk in the security and confidentiality of personal data collected, possible case of elite capture, greater misunderstanding by the public facing the proliferation of these new management tools, and larger digital divide among various segments of society. The Republic of Madagascar has a clear legal framework governing digitalization: mainly law 2014- 006 on the dematerialization of administrative procedures, law 2014- 038 on personal data protection, and law 2014-006 related to the fight against cybercriminality. Given existing cultural and religious norms that could contribute to the risk of exclusion, the project will place strong emphasis on the inclusion of vulnerable and disadvantaged groups and ensure they are fully involved in and benefit from the project. In line with ESF requirements, the Borrower will (i) develop the first Environmental and Social commitment plan (ESCP) which could be adjusted during the project life keeping with the evolution of environmental and social risk and impact; (ii) develop an inclusive stakeholder engagement plan (SEP); (iii) prepare Labor Management Procedures; (iv) develop a Waste Electronic and Electrical Equipment Management Framework (WEEEMF) in consultation with all stakeholders and an appropriate method for collecting, treating and disposing of e-waste; and (v) establish and implement accessible grievance mechanism (GM). In addition, during the first year of the project a communication plan on the usefulness of digital governance will be developed, and special consideration to bridge the digital divide between rural and urban areas will be applied by the project.

##### **Areas where reliance on the Borrower’s E&S Framework may be considered:**

The national labor laws of the Republic of Madagascar are relatively robust and will provide a strong foundation for ESS2. However, given the client’s weak institutional capacity to manage E & S impacts and risks, and potential gaps in the legal and policy framework in relation to the ESF requirements, the Borrower’s E&S Framework will not be used for this project.

#### **ESS10 Stakeholder Engagement and Information Disclosure**



The introduction of digital governance could lead to a greater risk in the security and confidentiality of personal data collected, to a greater misunderstanding by the public facing the proliferation of these new management tools, and to a larger digital divide between the different government units, rural and urban areas, and between citizens with access to the Internet and the others, especially the vulnerable groups. Stakeholder engagement is a critical tool for the project sustainability and success. 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, with involvement of a wide range of vulnerable groups) and through channels that are suitable in the local context. First version of SEP on the usefulness of digital governance will be prepared and disclosed as early as possible and prior to Appraisal. If major changes are made to the SEP, a revised SEP should be publicly disclosed. The borrower will engage in meaningful consultations with all stakeholders throughout the project life cycle paying particular attention to the inclusion of vulnerable and disadvantaged groups (such as persons with disabilities, gender/sexual minorities, ethnic minority and People living in remote areas, etc.), during the implementation of digital governance. Grievance Mechanism (GM). The project would use during the preparation of the project the current GM developed under the governance project (P150116) to capture all complaints related to the project. During the implementation of project the GM of the project would also be integrated as a specific digitalized activities, and which will be developed as a National GM for the government (already considered in the component 2). Complaints received and resolved will be reviewed during the implementation support missions.

## **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**

Mobilization of consultants, civil servants and other contractor (100 specialized workers on digitalization) raise the importance of the respect of the right of the workers, and also the need to ensure respectful work place. The Republic of Madagascar has a clear legal framework governing the right of workers (the law 2003-044 of July 28, 2004 which established the Labor Code). This code preserves the worker's essential interests (trade union rights, employment contract, health and safety, intimidation, sexual harassment). Various laws and regulations (decrees, orders, decisions) supplement the Labor Code, mainly the Law n ° 66-003 of July 2nd, 1966 on the General Theory of Obligations (in particular, the contracts of employment of consultants not subject to Labor Code are governed mainly by this Law on TGO and the provisions relating to the obligations of the French Civil Code of 1960 applicable to Madagascar). In addition, Madagascar has ratified a number (43) of international conventions which a major part are indicated to be in force, [https://www.ilo.org/gateway/faces/home/standards?\\_adf.ctrl-state=uunz8r62h\\_9&locale=EN&countryCode=MDG](https://www.ilo.org/gateway/faces/home/standards?_adf.ctrl-state=uunz8r62h_9&locale=EN&countryCode=MDG) . The project will put measures to ensure non-discrimination and promote gender sensitivity in the recruitment process of consultant or specialized workers. In addition, efforts will be made to target young professional to promote youth employment and skills advancement. The Borrower will develop and implement (i) Labor Management Procedures (LMP) and (ii) worker's Grievance Mechanism (GM) which could capture all workers complaints (iii) a detailed labor management plan which could be adjusted during the project life; and (iv) sensitization related to the availability of worker's Grievance Mechanism (GM) and to the respect of code of conduct to prevent and address harassment, intimidation and/or exploitation.

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



Relevance of this ESS, especially related to the management of WEEE, will be further discussed and assessed during project preparation. The project does not have any activities that will lead to pollution as there is no use or production of chemical substances, nor development generation of hazardous and non-hazardous wastes in solid, liquid, or gaseous states. The WEEEMF should be developed prior to Approval.

**ESS4 Community Health and Safety**

The relevance of this ESS will be further discussed and assessed during project preparation, mainly related to the GBV risk on the project. The project does not have any activities which will affect community health and safety. Most of activities are relatively soft. Currently, the SD team is starting to review Madagascar’s portfolio in terms of GBV risks. PRODIGY will benefit from this review and specific measures will be integrated into the project design and implementation, however the recruitment of 100 workers mainly specialized on digitization has been identified as a potential social risk for work place sexual harassment and/or intimidation mainly during the recruitment.

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

The relevance of this ESS will be further discussed and assessed during project preparation. Currently the project does not have any components that require the construction of physical assets or are related to land acquisition.

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

This standard is not currently relevant to the project. The project does not have any activities which could impact forests and natural resources.

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

Based on information currently available, this Standard is not relevant. This will be further discussed and assessed during project preparation.

**ESS8 Cultural Heritage**

The relevance of this ESS will be further discussed and assessed during project preparation

**ESS9 Financial Intermediaries**

The relevance of this ESS will be further discussed and assessed during project preparation.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

No

Madagascar is an Island

**OP 7.60 Projects in Disputed Areas**

No

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Madagascar is not a country in conflict.

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

**A. Is a common approach being considered?**

No

**Financing Partners**

N/A

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

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

Actions to be completed prior to Appraisal:

- Preparation, consultation and disclosure of Stakeholder Engagement Plan (SEP), Version 1
- Preparation, consultation and disclosure of Environmental and Social Commitment Plan (ESCP)
- Preparation, consultation and disclosure of Labor Management Procedures (LMP)
- Development of Waste Electronic and Electrical Equipment Management Framework (WEEEMF)
- Development of project Grievance Mechanism (GM)
- Recruitment of an Environmental and Social safeguard specialist

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

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

- Update and implementation of Stakeholder Engagement Plan (SEP)
- Update and implementation of Project Grievance Mechanism (GM)
- Implementation of Beneficiaries Feedbacks as a part of social inclusion and citizen engagement strategy related to the project;
- Preparation and implementation of GBV risk mitigation action plan
- Development and implementation of detailed labor management plan, including workers’ code of conduct and GM (based on assessment of the National labor law and review of PREA HR policies);
- Implementation of the Waste Electronic and Electrical Equipment Management Framework (WEEEMF)

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

11-Jul-2019

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Ministry of Finances and Budget

**Implementing Agency(ies)**

Implementing Agency: Programme de Réforme pour l'Efficacité de l'Administration

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s): Heriniaina Mikaela Andrianasy, Tiago Carneiro Peixoto  
Safeguards Advisor ESSA: Nathalie S. Munzberg (SAESSA) Cleared on 18-Mar-2019 at 07:12:10  
Practice Manager: Manuel Vargas (PMGR) Concurred on 18-Mar-2019 at 17:58:17

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