



# Concept Environmental and Social Review Summary

## Concept Stage

### ( ESRS Concept Stage)

Date Prepared/Updated: 11/25/2024 | Report No: ESRSC04594



## I. BASIC INFORMATION

### A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P508220	Investment Project Financing (IPF)	DMF III IP-2	2025
Operation Name	DMF III - Implementing Partners -2024		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
World		Other	Macroeconomics, Trade and Investment
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), COMSEC, UN Trade and Development (UNCTAD) -DMFAS, West African Institute for Financial and Economic Management (WAIFEM), DRI	DRI, COMSEC, MEFMI, WAIFEM, UNCTAD		20-Dec-2024
Estimated Concept Review Date	Total Project Cost		
02-Dec-2024	1,500,000.00		

### Proposed Development Objective

DMF III program's development objective is to strengthen the capacity of Eligible Countries to manage debt effectively and improve their debt transparency. Grant agreements with IPs are contributing to achieving program objective, in line with DMF program design.



**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**

*[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]*

This project is focused on the recipient executed activities with debt management technical assistance providers, which have been Implementing Partners (IPs) under DMF III. IPs are debt management technical assistance providers and also specialized in debt recording and debt recording systems. The grants will support continuation of the cooperation with IPs.

**D. Environmental and Social Overview**

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

*[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]*

The Debt Management Facility (DMF) is a multi-donor trust fund managed by the World Bank aimed at strengthening debt management to reduce vulnerabilities and improve transparency in eligible countries. The DMF achieves its objectives through tailored advisory services, technical assistance, analytical work, training, webinars and peer-to-peer learning. It leverages best practices and expertise from the Bank and the IMF, customizing knowledge to serve beneficiary countries, particularly low-income and fragile states. The primary beneficiaries are governments of IDA-eligible countries with weak debt management capacities and high debt vulnerabilities. Other stakeholders include DMF implementing partners, donors and the Panel of Experts. Since its inception, three MMF phases (DMF I, II, and III) have been launched between 2008 and 2020. DMF III activities are executed by the World Bank, recipients and the IMF. This project builds on the previous phases, continuing to offer technical assistance on debt transparency, sustainability analysis, and fiscal risk management. It focuses on recipient-executed activities with technical assistance providers who have been implementing partners under all DMF phases. The project envisages grants up to five recipient organizations, who are implementing partners under DMF III with components on Debt Management Technical Assistance and Training. IPs provide technical assistance related to Debt Management Performance Assessments, debt reform plans, medium-term debt management strategies, debt reporting, monitoring, and sustainability assessments. They also provide logistical support for regional training and may support the development of new debt management training areas. These activities do not entail physical interventions that could affect the environment. The social risks is also expected to be low. The project primarily covers Africa region, but countries from other regions may also benefit through the offered training activities.

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

*[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]*



The project as recipient executed trust fund (RETF), envisages to provide grants to up to five recipient organizations, of which following three already submitted their work plan proposals to serve as implementing partners.

- Debt Management Program of the UNCTAD-DMFAS: A leading provider of technical cooperation in debt management capacity development. It has so far worked directly at the country level with more than 110 institutions (Ministries of Finance & Central Banks) in 72 countries.
- MEFMI: A regionally owned institute with 14 member countries: Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
- WAIFEM: Supports the Central banks of Gambia, Ghana, Liberia, Nigeria, Sierra Leone, with the objective of strengthening capacity to manage macroeconomic policy formulation, implementation, publicly guaranteed external debt, private and domestic debt.

The other two recipient implementing partners (IPs) that may get involved are Debt Management Unit of the Commonwealth Secretariat (COMSEC) and Debt Relief International (DRI).

The implementing partners operate both regionally in Africa (MEFMI, WAIFEM) and globally (UNCTAD, COMSEC, DRI). These partners have prior experience working with the Bank under the ESF through the implementation of the DMF III “Implementing Partners Project” in 2020, where each IP has prepared an ESCP, SEP and LMP. The performance of these IPs implementing the ESF requirements (including reporting and due diligence) under the previous project has been satisfactory. As per ESF streamlining, this phase of the project will build on implementing partners’ existing systems and use gap filling measures for applicable ESS standards as needed. The required measures and the timelines (including SEP and LMP) will be outlined in the ESCP. Each IP will assign a focal point to be responsible for ensuring adequate and timely implementation of the ESCP.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

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

Low

#### A.1 Environmental Risk Rating

Low

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

The environmental risk is low. The project will support recipient-executed activities to enhance the capacity of eligible countries in managing their debt. This will be achieved through the design and application of tailored advisory services, technical assistance, applied analytical work, training, webinars, and peer-to-peer learning. These activities do not involve physical interventions that could harm the environment or have known downstream impacts. Accordingly, the project’s environmental risks or impacts are expected to be minimal. However, while the Debt Management Facility (DMF) activities themselves do not have direct environmental impacts, improved debt management can indirectly lead to better environmental outcomes. It can result in more sustainable fiscal policies, potentially increasing investments in environmental protection and sustainable development projects. Additionally, by reducing debt-related vulnerabilities, countries may be better positioned to allocate resources toward addressing environmental challenges, yielding positive environmental benefits.



Low

## A.2 Social Risk Rating

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

The social risk rating of the project is Low. The grant's objective is to strengthen the capacity of government institutions in charge of debt management. Based on the experience of DMF Phase I and II, DMF III is not expected to incur any social risks and impacts with the capacity building TA activities. It will potentially have positive social impacts for the eligible beneficiary governments. The project needs to leverage the existing networks of IPs, i.e., UNCTAD, WAIFEM and WEFMI to make sure that the targeted beneficiary public institutions of the eligible countries, as the primary stakeholder, will be fully participating in the design and delivery of the TA activities under the program. Either the DMF Secretariat or the IPs individually will establish and implement a feedback and grievance redress mechanism (GRM) to receive and facilitate resolution of any possible concern and grievances from stakeholders.

Low

## A.3 Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating

*[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]*

The SEA/SH risk rating is low. The project commits to follow and comply good international industry practice and World Bank ESF ESS2 in order to ensure that the terms of employment and working conditions of all workers engaged in the project meet the legal and policy requirements, enforce preventative and disciplinary measures against Gender Based Violence (GBV), sexual exploitation and abuse (SEA) and discriminatory behavior, and incorporate a gender perspective and provide an enabling environment where women and men have equal opportunities under the project, with special regard for the vulnerable and disabled.

## B. Relevance of Standards and Policies at Concept Stage

### B.1 Relevance of Environmental and Social Standards

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

Relevant

*[Optional Explanation - Max. character limit 1,000]*

The project does not require any further environmental and social assessment beyond this screening and initial scoping given that it supports TA and capacity building activities with low E&S risks or downstream impacts. As such, only ESS1, ESS2, and ESS10 apply to the project. Also, no standalone Stakeholder Engagement Plan (SEP) and Labor Management Procedure (LMP) are necessary. Each recipient of the project grant (IP) will develop an Environmental and Social Commitment Plan (ESCP) by appraisal. Aspects relevant to SEP and LMP will be built into the ESCP and will apply the IPs policy and regulations and the World Bank ESF. All TAs and training activities shall incorporate the relevant requirements of the ESS during both the preparation and implementation phases, ensuring that the outputs from these activities are consistent with the ESS. Access to training will be conducted through fair and open processes in a socially inclusive manner that provides equal opportunity for all.

#### ESS10 - Stakeholder Engagement and Information Disclosure

Relevant



*[Optional Explanation - Max. character limit 1,000]*

Stakeholders under the project are beneficiary governments institutions, IPs, DMF donors and development partners, the Panel of Experts, World Bank and IMF. The government institutions and their relevant staff, mostly from ministries of finance and debt management offices, are the targeted primary beneficiaries of the project TA activities. They also play a critical role in the TA activity selection and design through their requests and demands to the DMF Secretariat. Prior analytical work and active consultations have taken place in the design and delivery of the TA in the first two phases of DMF and in the design of the third phase of the DMF. DMF III will continue this stakeholder engagement in the design, delivery and monitoring of activities. ESS10 specific measures including information disclosure, consultations, post-training satisfaction surveys, and grievance mechanisms will be prescribed in more detail in the ESCP for each implementing partner.

**ESS2 - Labor and Working Conditions**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

The project activities will be delivered through IPs' staff and short-term consultant experts. The project will use the three implementing partners' relevant policies and procedures linked to labor and working conditions to the extent possible and fill any existing gaps in the ESCP. WAIFEM's Whistleblower Policy encourages employees to observe high standards of ethics and ensures no harassment or retaliation for good faith reports. MEFMI allows anonymous reporting of wrongdoing, including commercial crimes and unethical behavior. UNCTAD will implement its activities per its policies, ensuring compliance with ESS2, including a grievance redress mechanism. All IPs will include GBV provisions in contracts and ensure enforcement. No separate LMP is required for this low-risk project. Actions linked to ESS2 will be stated in the ESCP and the project's operations manual.

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

Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

**ESS4 - Community Health and Safety**

Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

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

Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

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

Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

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

Not Currently Relevant



[Optional Explanation - Max. character limit 1,000]

**ESS8 - Cultural Heritage**

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

**ESS9 - Financial Intermediaries**

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

**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**

In Part

[Optional explanation – Max. character limit 1,000]

The Implementing Partners, namely the West African Institute for Financial and Economic Management (WAIFEM), the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI), and the Debt Management Program of the United Nations Conference on Trade and Development (UNCTAD-DMFAS), will be the recipients of the project grants. Two more implementing partners may join the project at a later stage (COMSEC, DRI). These agencies will implement the project in accordance with their existing policy and procedures, as well as the relevant laws and regulations of the selected countries. Additionally, the project will adhere to good international industry practices and the relevant standards of the World Bank's Environmental and Social Framework (ESF) and fill any necessary gaps. These gap filling measures will be outlined in detail in each ESCP of IPs for all standards applicable to this project (ESS1, ESS2 and ESS10).

**Use of Common Approach**

No

[Optional Explanation including list of possible financing partners – Max. character limit 1,000]

**B.4 Summary of Assessment of Environmental and Social Risks and Impacts**

[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]

The project environmental risk is low. The project will support recipient-executed activities to enhance the capacity of eligible countries in managing their debt. This will be achieved through the design and application of tailored advisory



services, technical assistance, applied analytical work, training, webinars, and peer-to-peer learning. These activities do not involve physical interventions that could harm the environment or have known downstream impacts. Accordingly, the project's environmental risks or impacts are expected to be minimal. However, while the Debt Management Facility (DMF) activities themselves do not have direct environmental impacts, improved debt management can indirectly lead to better environmental outcomes. It can result in more sustainable fiscal policies, potentially increasing investments in environmental protection and sustainable development projects. Additionally, by reducing debt-related vulnerabilities, countries may be better positioned to allocate resources toward addressing environmental challenges, yielding positive environmental benefits.

The social risk rating of the project is Low. The grant's objective is to strengthen the capacity of government institutions in charge of debt management. Based on the experience of DMF Phase I and II, DMF III is not expected to incur any social risks and impacts with the capacity building TA activities. It will potentially have positive social impacts for the eligible beneficiary governments. Better debt management could help eliminate negative social impacts of excessive or poorly managed debt, including factors like increased poverty, reduced access to essential services, and community instability. The project needs to leverage the existing networks of IPs, i.e., UNCTAD, WAIFEM and WEFMI to make sure that the targeted beneficiary public institutions of the eligible countries, as the primary stakeholder, will be fully participating in the design and delivery of the TA activities under the program so that their needs are understood and met. Either the DMF Secretariat or the IPs individually will need to establish and implement a feedback and grievance redress mechanism (GRM) to receive and facilitate resolution of any possible concern and grievances from stakeholders. The project will build on the implementing partners' relevant policies and procedures linked to labor and working conditions to the extent possible and use any gap filling measures as needed.

The project does not require any further environmental and social assessment beyond this screening and initial scoping given that it supports TA and capacity building activities with low E&S risks and impacts. As such, only ESS1, ESS2, and ESS10 apply to the project. Also, no standalone Stakeholder Engagement Plan (SEP) and Labor Management Procedure (LMP) are necessary. Each recipient of the project grant (IP) will develop an Environmental and Social Commitment Plan (ESCP) by appraisal. Aspects relevant to SEP and LMP will be built into the ESCP, including requirement for a grievance redress mechanism, and will apply the IPs policy and regulations and the World Bank ESF. Each IP will assign a focal point to be responsible for ensuring adequate and timely implementation of the ESCP. All TAs and training activities shall incorporate the relevant requirements of the ESS during both the preparation and implementation phases, ensuring that the outputs from these activities are consistent with the ESS.

## 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 Appraisal?

*[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]*





Prior to Appraisal, each Implementing Partner (IP) will prepare, consult on and disclose an Environmental and Social Commitment Plan (ESCP), which is satisfactory to the Bank. The ESCP will outline the material measures and actions necessary to ensure the requirements of ESS1, ESS2 and ESS10 will be met. It will include a Stakeholder Engagement Plan (SEP) and Labor Management Procedures (LMP), detailing measures and actions such as implementation arrangements, staff assignments, grievance redress mechanisms, codes of conduct, and communication and stakeholder engagement strategies for participating agencies, beneficiary government institutions, and other stakeholders throughout the project implementation.

During the implementation phase, IPs will prepare terms of reference for technical assistance and training activities that are acceptable to the Bank. These terms of reference will incorporate the relevant requirements of the ESSs (ESS1, ESS2, ESS10) during implementation and ensure that any outputs from the technical assistance activities are consistent with these ESSs.

### III. CONTACT POINT

#### Contact Point

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### IV. FOR MORE INFORMATION CONTACT

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### V. APPROVAL

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