



Concept 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)
Ethiopia	EASTERN AND SOUTHERN AFRICA	P179040	
Project Name	Ethiopia Digital ID for Inclusion and Services		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Digital Development	Investment Project Financing	9/11/2023	11/29/2023
Borrower(s)	Implementing Agency(ies)		
Federal Democratic Republic of Ethiopia	Prime Minister's Office, Ministry of Finance and Economic Development		

Proposed Development Objective

The Project Development Objective is to establish an inclusive foundational digital ID system to improve access to and delivery of benefits and services for all people in Ethiopia.

Financing (in USD Million)	Amount
Total Project Cost	300.00

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]

Ethiopia is one of the few countries in the world that does not have a functioning national-scale foundational ID system. Despite enacting the Registration of Vital Events and National Identity Card Proclamation in 2012, the national identity card has never been implemented. A paper-based ID issued by Kebeles (and known as the Kebele ID) is the most common ID in Ethiopia, available to all individuals over 18 years old. It is currently used as proof of identity, but its primary purpose is as proof of address and residence. As a result, obtaining a Kebele ID often requires residing in a location for a minimum period (e.g., six months), which leads to the exclusion of internal migrants –



especially significant given the growing rates of urbanization in the country. The features of the Kebele ID vary by Kebele, but the card generally captures an individual's demographic information and address in handwriting and includes a stapled photo, often to be provided by individuals which can be costly and cumbersome for some segments of the population. Most Kebele IDs still contain the holder's ethnicity, which is a potential source of discrimination. The lack of uniformity among the Kebele ID and the ease of forgery have been constraints for the delivery of services. However, community-based issuance has contributed to a good coverage rate in many parts of the country, including in rural communities and hard-to-reach areas. Recordkeeping is highly informal: information is documented in writing and stored at each local Kebele office in hard-copy paper ledgers and books which are vulnerable to damage, tampering, unauthorized use, and theft and loss due to accidental fires or natural disasters like floods. Considering the weak security of records stored in Kebele ledgers, identity fraud, including impersonation to carry out illegal activities and to take out loans, is relatively easy. Additionally, demographic information is often relayed and confirmed through verbal testimonies, which leave room for forgery, duplication, and fraud, which are important to address as the economy becomes more formal and continues to digitalize.

The Ethiopia Digital ID for Inclusion and Services Project (P179040) will support the Government of Ethiopia (GoE) to roll out Fayda, an inclusive and trusted digital foundational ID system and other digital public infrastructure. The Project will improve access to and delivery of public and private sector services and economic opportunities, especially for the most vulnerable, and to boost national resilience. This will be achieved by providing at least 90 million Ethiopian nationals and legal residents (including refugees) with a unique digital ID that they can use to securely verify themselves when transacting with government agencies and businesses. In addition, the Project will support the institutionalization of the Fayda ID system (including public awareness and stakeholder engagement) and its integration into services in key sectors, such as social protection, financial services, healthcare (including health insurance), agriculture, and education. The implementation of a standardized ID across Ethiopia's various states, ethnicities, and cultures will contribute to peace and social cohesion. The Project builds on the Ethiopia Digital Foundations Project (P171034), which provides financing for connectivity and improvements to the legal and institutional environment to enable digital development. The Project also complements the investments in the digitalization of civil registration (CR) in the Ethiopia Program for Results for Strengthening Primary Health Care Services Project (P175167), with the CR system being key for recording births, deaths, marriages, and other life events (compared to an ID system that records people) that can provide information for the creation of unique digital IDs at birth and retirement of IDs at death. The Project will also support multiple IDA operations in Ethiopia that aim to strengthen social safety nets, healthcare, education, farmer support, and Horn of Africa integration, among others.

The Project design is consistent with the World Bank's general approach to ID operations supported in other countries. This includes placing importance on building a sound institutional and legal foundation (Component 1), developing the actual system (Component 2), rolling out the new ID system, and integrating it into service delivery to expand access and enhance service delivery (Component 3).

The Fayda system will be supported to comply with the Principles on Identification for Sustainable Development and align with other international good practices. This will maximize the socio-economic benefits and development impacts that stem from trusted and inclusive ID systems, while also mitigating key risks. During implementation, special attention will be paid to ensuring:

- a. Inclusion and removing any barriers to ID access and usage by ensuring that all people in Ethiopia can easily obtain an ID (including ensuring that cost is not an obstacle for the poor) and having exceptions handling processes in



place so that no person entitled to a certain service is denied access, such as because of biometric failures for example.

- b. A focus on use cases and maximum efforts to ensure improvement of service delivery to guide design and implementation, given that the issuance of a Fayda ID is not an end in itself but, instead, a means to an end.
- c. Application of strong personal data protection practices, including data collection minimization, purpose specification, lawful processing, strict limits on data retention, data accuracy, accountability, transparency, consent and user-empowerment, and the use of privacy- and security-by-design approaches.
- d. Adherence to open standards and, where appropriate, the use of open-source software and open application programming interfaces (APIs), to prevent vendor lock-in, promote interoperability, scalability, sustainability, flexibility and country ownership.
- e. Consultative and human-centered design approaches to inform the implementation and use of Fayda to access services.

This project will have the following four components:

Component 1 – Building Institutions and Trust

This component will invest in the ‘analogue’ foundations for Fayda, with a focus on the operationalization of a strong Digital ID Authority at federal and regional levels, as well as the future Personal Data Protection Office. This component will also invest in communications and awareness-building activities and grievance management systems to handle any issues that the population may face in accessing and using Fayda. This Component will include sub-components for:

- a. Subcomponent 1.1 – Stakeholder engagement, communications, awareness building, and support for Fayda ID grievances management systems.
- a. Subcomponent 1.2 – Operationalization of the Ethiopian Digital ID Authority.
- b. Subcomponent 1.3 – Personal data protection.

Component 2 – Establishing scalable and secure Fayda ICT infrastructure

This Component will invest in the information and communication technology (ICT) infrastructure to support Fayda ID-related operations, including software, licenses, and hardware. This component will also invest in building cybersecurity and data protection capabilities to strengthen the resilience of the Digital ID system. This Component will include sub-components for:

- a. Subcomponent 2.1 – Digital Infrastructure in support of Fayda ID.
- b. Subcomponent 2.2 – Strengthening information and cyber security.

Component 3 – Inclusive ID issuance and integration into services

This Component will support the rollout of the Fayda system for registration and issuance of IDs and its integration into key services, with the aim to streamline identity verification in the context of financial inclusion, social protection programs, health insurance, education, and other sectors. It will include process re-engineering, policy and regulatory reforms, software integration, and hardware, as well as laying foundations for an ‘Ethiopia Stack’, including core



building blocks such as Digital ID and authentication, data sharing, and possibly digital payments. The design and implementation of an ‘Ethiopia Stack’ will require strong coordination with other sectors. This Component will include sub-components for:

- a. Subcomponent 3.1 – Registration operations, credential production, and distribution (DLIs).
- b. Subcomponent 3.2 – Expanding and transforming service delivery in key sectors (financial inclusion, social protection, health, and education).
- c. Subcomponent 3.3 – Developing an Ethiopia Digital Stack: In addition to digital ID, other core elements include a whole-of-government data exchange platform and digital payments.

Component 4 – Project Management

This Component will finance project management and other activities to ensure the successful implementation of the Project. This will include support for a project implementation unit (PIU) initially within MoF but eventually in the Digital ID Authority once the Authority is established, with core functions related to financial management (FM), procurement, M&E, Environmental, and Social risks management, as well as project communications and coordination.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will be implemented at national scale, throughout the country which includes emerging regions and pastoral areas where underserved and vulnerable communities reside.

Digital pollution is also on the rise, not only in Ethiopia, but all around the world, from the production of IT hardware, as well as from e-waste and the absence of proper “end of life” management practices for digital equipment. Africa generates about 2.2 million tonnes annually of e-waste (UNU 2016) from imports of equipment and a few local assembly plants. Locally derived e-waste generation constitutes about 50-85% while the rest is from trans-boundary illegal imports. Infrastructure for solid waste management is weak in Ethiopia and there is a lack of regulatory enforcement. Additional e-waste from the digital ID program, (such as ID registration kits, laptops and printers) may potentially exacerbate e-waste management issues in Ethiopia if not addressed from a regulatory, institutional, and infrastructure point of view. Many Eastern African countries have not enacted legislation to manage e-waste and have not put in place “end of life” practices for outdated ICT equipment. Ethiopia lacks (i) appropriate legal framework for e-waste management, (ii) absence of e-waste recycling and refurbishing centers, and (iii) lack of regulatory framework including standards and certifications addressing environmental impacts of e-waste.

E-waste management is a challenging task not only due to its rapidly growing volume but also because of its hazardous nature. A study for Addis Ababa shows that some 81.7% of e-waste are simply stored. Other e-waste disposal methods such as reusing, refurbishing, and recycling activities were generally informal. The absence of recycling possibilities and lack of awareness about the possibilities and values of recycling e-waste were some of the



hindering factors. The administrative, economic, and socio-cultural related factors challenging e-waste management (Gudeta et al. 2015, 2018).

This project will work to benefit both vulnerable and underserved groups of the country. Communities living in the underserved regions and vulnerable people have less opportunities for education especially for girls while low literacy levels and cultural factors may limit access to information. There is also high level of illiteracy among rural women as well, which is linked to limited use of digital technology.

Thus, addressing the needs of underserved and vulnerable communities by development of innovative approaches is needed to enable these groups benefit from the project activities. The project has launched a social risks analysis study to investigate the experiences of vulnerable people who may have difficulties obtaining ID cards unless special provisions are made by the government and intentionally addressed through the project. Therefore, special attention is planned to be paid to designing project activities to address the needs of and prevent possible exclusion of services for the needs of underserved and vulnerable communities

In Ethiopia, in the past 3-4 years, internal conflicts affected most of the regions like Amhara, Afar, Tigray, Oromia, Benishangul Gumuz and SNNP. In the indicated regions, and above all, in Amhara, Afar and Tigray where the conflict was serious and lasted long. The ongoing civil conflicts in Ethiopia, most notably in Tigray, create risks of low trust in the GoE's intentions in rolling out Fayda, and thus low trust and adoption. The conflict has now subsided in most parts. The project activities will be designed in a way to protect the registration officers and avoiding areas that are active conflict zones, until the situation approves.

D. 2. Borrower's Institutional Capacity

Ethiopia has considerable experience in the implementation of the World Bank financed projects. However, there is notable variation in environmental and social risk management capacity and experience of sector ministries. This project will be implemented by the Prime Minister Office (PMO). The PMO has no prior experience in the management of environmental and social risks of World Bank financed project. As a result, it has limited capacity in the management of environmental and social risks. Moreover, the Clients' capacity to understand and address E&S risks related to digital integration including issues such as data privacy, data protection and security, cyber security and e-waste is likely to be limited. The project will therefore finance the recruitment of environmental and social risk management specialists to address the capacity gaps. Furthermore, environmental, and social focal persons shall be assigned in each of regional states where the project activities will be implemented. The E&S experts of the PMO will also be trained on the environmental and social framework of the Bank before starting the implementation of the project activities. Costs related to Environmental and Social Framework (ESF) compliance for the project including preparation and implementation of relevant plans, training, stakeholder consultation, and establishment of a functioning grievance mechanism shall be financed by the project. The project implementing entity shall engage consultants for the preparation of E&S instruments. The task team has been providing technical assistance to the GoE since 2017, and since the establishment of the NIDP under the PMO in October 2021 through ID4D technical assistance. However, as aforementioned, given the PMO's lack of experience implementing World Bank programs, and because no project preparation advance has yet been requested, it may be necessary to consider using a transitional PIU at Min T until such time that the Digital ID agency is established. The ESMF which was prepared for Ethiopia Digital Foundations Project (DFP) shall be updated as needed and adopted for purpose of this project as the nature of activities to be financed are similar, especially for the ID related activities that are also included under DFP project. The client will need to ensure that the requirements of the Environmental and Social Framework (ESF) and



specifically the requirements of the Bank’s Advisory Note on Technical Assistance are considered in the technical assistance activities to be supported by the project.

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

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The overall impact on the environment and human health is anticipated to be minimal with no adverse risks which could be significant or irreversible. The main environmental risks of the project are anticipated from Component 2 and 3 which will invest in various IT equipment, namely ID registration kits, laptops and mobile devices, ID card printers and, including software and hardware, such as servers, needed to support both front-end operations and back-end maintenance. Availability of digital ID and future introduction of authentication capability including through mobile phones may eventually lead to increased mobile phone ownership by population. Activities to be financed under Component 2 and 3 will result in an increase in the generation of e-waste in the long run that can ultimately have various EHS risks and community health and safety concerns if e-waste is not properly managed. People could potentially be exposed to e-waste-related toxicants through air, soil, water via ingestion, inhalation, and dermal absorption. Poor e-waste handling and disposal could expose people to non-dioxin-like polychlorinated biphenyls, polycyclic aromatic hydrocarbons, polychlorinated dibenzo-p-dioxins, polychlorinated dibenzofurans and dioxin-like polychlorinated biphenyls. Most of these compounds are endocrine disrupters and most are neuro-toxic. E-waste-related toxic elements can enter living organisms through air (e.g. open burning), soil (e.g. disposal) and water via ingestion (e.g. food chains contamination due to disposal and poor recycling processes). E-waste is resistant to biodegradation with strong tendency to bio-accumulate in agricultural lands and be available for uptake by grazing livestock. Besides, digitalization of services could lead to an increase consumption of energy. Studies estimate lifespan for some IT equipment may range from 4-5 years. However, an e-waste management plan will be needed prior to commencement of the implementation as the project may finance the replacement of used IT equipment. The client will engage project workers including the PIU staff and consultants during implementation of the project which necessitate proper management of e-waste related health and safety risks. The Client’s capacity to manage the above risks is expected to be weak, at least in the beginning, hence, the environmental risk of the project is rated as moderate based on the information available at this stage.

Social Risk Rating

Substantial

The Project is expected to have positive impact on the quality of life of citizens and residents of Ethiopia. This will be achieved by improving the accessibility and delivery of public and private sector services & the ability of both nationals and non-nationals (who provide acceptable evidence for registration) to exercise the rights related to a legal identity. Fayda could help to address the root causes of conflict in the country by increasing access to economic opportunities for all persons and cultivating a sense of national identity by providing a standardized form of identification. Fayda represents a significant improvement over existing identification systems in Ethiopia, especially kebele IDs, with respect to social risks of exclusion based on various identifiers provided during ID registration. The social risk rating is Substantial. First, there are risks of social and economic exclusion if registration and authentication processes and strategies are themselves exclusionary and biased. This risk will be mitigated by ensuring through legal, processes, and technological design that Fayda is universally accessible including for vulnerable groups, pastoralists, and historically underserved communities. Mitigation measures will be informed by pilots and a social risk assessment

Public Disclosure



to identify & address any barriers faced by disadvantaged populations, such as particular ethnic groups, persons with disability, the elderly, & non-nationals. There may be potential social risks where some groups can have limited access to identification or associated services & rights because they lack internet connectivity/devices, digital literacy/digital skills, or decide not to enroll due to the technology bias. The second risk area is exacerbating conflict and tensions, particularly of an ethnic & or religious nature. Fayda will be the first national-scale identification system in Ethiopia that will not collect information about ethnicity & religion. A conflict analysis will be conducted to inform measures to not only reduce the potential risks of Fayda related to triggering any conflict but also to identify how Fayda can support the peace dividend. Third, there are gaps in terms of legal accountability and oversight for the responsible collection and use of personal data protection. To mitigate this risk, the task team will closely work with the GoE to explore how to expedite the passage of a Personal Data Protection Proclamation. The Task Team with the project implementing entity shall identify alternative measures of internationally acceptable principles covering Fayda if an omnibus Personal Data Protection Proclamation cannot be passed during the project duration. Fourth and finally, the Project will be implemented at the national level, including in conflict areas, which means that there are security risks for personnel and populations that participate in the Project. A Security Risk Assessment and Management Plan (SRAMP) will be prepared for the Project activities to inform project implementation and mitigate the related risks, including the risks of engaging security personnel to safeguard the project workers, assets, and activities. Fayda shall institute accessible and well-functioning grievance handling procedures to be put in place to avoid any potential exclusion of services both for the ID registration itself, as well as for accessing public and private services that require proof of identification. The Project may induce risks related to labor management and community health & safety. Given that the Project focuses on technical assistance, procurement of IT equipment and ID registration activities, the anticipated labor-related risks are low. No major infrastructure investments or civil works are being proposed. Hence, the impacts associated with civil works and land acquisition are not envisaged at this stage. Generally, there will be no resettlement or cultural heritage issues related to this Project.

Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating

Moderate

The project does not envisage to support any civil works. However, provided that the presence of IT workers and security issues in Project sites including remote areas, and the direct interface with women seeking to obtain IDs; the SEA/SH is rated as moderate. The detail impacts associated with the SEA/SH can be further informed by the social assessment and gender gap study later which will be used to identify key actions, monitoring indicators and assign required budget.

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:

The project will help to strengthen the Government of Ethiopia’s ability to securely deliver more digital and in-person services, allowing for increased resilience and adaptability of Ethiopia residents to natural disasters and other shocks. The project activities are not anticipated to cause conversion of natural habitats and no adverse impacts on biodiversity are anticipated. It will not cause displacement of people as no land acquisition or major civil works are anticipated. The main environmental risks that may result from the acquisition of IT equipment /ICT hardware will eventually contribute to e- waste from replacing the obsolete existing ICT hardware and registration kits. If not



managed adequately, the e-waste could have adverse community health and safety risks as noted under section II A. The EHS implications of the credentials production will be considered in the preparation of the ESF instruments.

Although the Project is not anticipated to engage large number of workers, the health and safety risks to any project workers need to be properly identified and managed. The social risks may result from exclusion from services, technology gaps and biases that potentially exclude vulnerable groups from services, risk of data protection and privacy, and project induced risks related to labor-management and community health and safety. To mitigate those, a social risks study is being undertaken during project preparation that is expected to identify both the possible social risks as well as mitigation measures that will be embedded as part of the project.

In geographically challenging regions such as remote areas and pastoral areas, where the majority of the people live , some groups may be discriminated or have additional difficulties when accessing the legal identity documents and/or associated services and rights due to limited access to technology, poor mobile or internet connectivity, lack of ownership of electronic devices such as mobile phones, digital literacy and/or digital skills, the comfort or ability to use a particular technology, or technology biases or failures.

The client will update and adopt the ESMF that has been prepared for Ethiopia Digital Foundations Project prior to the project appraisal to address potential environmental and social risks. All relevant section of the ESMF shall be updated so that it could be readily used for the purpose of this project. An e-waste management plan shall be included as part of the updated ESMF. The updated ESMF shall be used as a basis for identification and management of environmental and social risks associated with the rollout of the Digital ID. Besides, a Stakeholder Engagement Plan will be prepared prior to appraisal to ensure continuous engagement with the key stakeholders. A Labor Management Procedure (LMP) will also be prepared to ensure that the engagement of the project workers could be undertaken in compliance with the requirements of the Environmental and Social Framework of the Bank. Completion of a Bank-executed gender gap study and social risk analysis study to identify current barriers to access identification in Ethiopia is anticipated by end of May 2023 to inform project preparation and define components. The findings of the study will be used to inform the policy dialogue with the government as well as the design of project component and activities in the new Digital ID project. This mainly involve the identification of key potential social risks and impacts of the new Ethiopia Digital ID system, benchmarked against the status quo, including exclusionary and other social risks and impacts (e.g., cultural barriers, languages of the registration forms and cards, naming conventions, etc.) on different population groups, and particularly vulnerable and disadvantaged groups. The social risk analysis and gender gap study as currently scheduled will inform risk mitigation measures to be incorporated into the Project’s design. A Social Assessment as a requirement for ESS7 will be prepared to thoroughly look at the social risks and propose the required mitigation actions. The SA will specifically include 1) cultural adequacy issues and barriers to access for communities that qualify under ESS7 and any other vulnerable groups covered by the Bank’s Directive on vulnerable and disadvantaged groups; 2) formulation of a social risk management action plan that will include the elements of an IPP/IPPF as appropriate, and will be adopted fully into the project design, SEP and ESMF and reflected in the ESCP. The PMO shall make sure that the technical assistance activities will be undertaken as per the requirements of the Environmental and Social Framework (ESF) and specifically with the requirements of the Bank’s Advisory Note on Technical Assistance. The Terms of Reference for any Technical Assistance shall be reviewed and cleared by the Bank. It will also make sure that the environmental and social risk management implementation arrangement that have been proposed under section D.2 will be put in place.

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



None

ESS10 Stakeholder Engagement and Information Disclosure

The project will require inputs from different stakeholder groups, including those who will be directly affected as well as those who have other interests in the proposed project activities. A Stakeholder Engagement Plan (SEP) will be developed before appraisal with specific provisions for the different project components. The SEP will outline the characteristics and interests of the relevant stakeholder groups and timing and methods of engagement throughout the life of the project. The project will ensure that the needs and voices of vulnerable people and underserved communities are heard through inclusive consultation and participation to ensure that they can equally participate and benefit from the project. The stakeholder consultation was already ongoing for the social risk analysis and gender gap study (which will be available by end of May 2023). There shall be a continuous stakeholders consultation during the preparation of the project and environmental and social risk management instruments, including the SEP. The project will ensure that respective provisions on gender equality also to ensure strong participation of women in the development of the country's digital sector.

Key areas of concerns to be assessed as part of stakeholder engagement activities include: (i) equitable access gaps between policy and implementation regarding population and civil registration services outreach programs, (ii) the needs and readiness of vulnerable groups and whether special measures are needed to promote their access to digital identification, (iii) potential technology gaps and how far digital identification services can be potentially available and usable for the public, especially for vulnerable populations, iv) institutional capacity in ensuring social inclusion and data protection, v) accessible grievances mechanism and transparent monitoring system, vi) management system for data protection and social risks, mainly stemming from utilization data and interoperability data. Project level Grievance Mechanism (GM) shall be established as part of project preparation. However, looking forward the GM can be further developed as part of the SEP and during implementation. Application of the standard will be closely monitored and reported on through the project life cycle.

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

The majority of Project workers will be the ones doing registration. These workers will be a combination of civil servants, individual consultants, and staff of financial service providers and other private sector registration partners. The proportion of the required staff is not yet known. The civil servants will remain subject to the terms and conditions of their existing sector employment. Project workers may be directly engaged (direct workers) to support the Project will need to be contracted in line with the requirements of ESS2 in relation to labor and working conditions, non-discrimination and equal opportunities and occupational health and safety. Any contractor hired to undertake to install the ICT hardware required to implement the project will be subject to the requirements of ESS2 including occupational health and safety requirements and establishment of workers grievance redress mechanisms. Should this require the employment of workers from outside the local area, if relevant, worker accommodation will need to be managed in line with ESS2 (and ESS4). Likewise, any technical consultants contracted by the Project will need to adhere to ESS2, and other relevant ESSs.



As hardware and software will need to be procured, the borrowers will need to identify or outline a process to identify potential risks associated with child labor, forced labor and serious safety issues in the supply chain and associated corrective actions when installation of such ICT equipment occurs. The borrowers will need to develop and implement written labor management procedures that will set out the way in which project workers will be managed throughout the project. Sexual Harassment (SH) as well as Sexual Exploitation and Abuse (SEA) in the workplace and in association with access to opportunities such as training will also need to be addressed in the LMP.

Differentiated provisions will be provided to the different types of workers under the project, i.e., civil servants, specific PIU staff and consultants, private sector registration partners, and personnel hired by vendors and consulting firms. The LMP shall cover potential labor risks that encompass standard provisions on child and forced labor, code of conduct and occupational health and safety. Because of the reason mentioned above that the project will involve direct PIU workers, consultants, and private sector registration partners, a standalone LMP will be prepared as part of the project appraisal package. The Labor Management Procedure (LMP) shall outline the establishment and availability throughout the project life cycle of labor-specific grievance redress mechanism accessible to the different types of workers. The client shall put in place mitigation measures to avoid or minimize COVID-19 infection and planning what to do if either project workers become infected, or the work force includes workers from proximate communities affected by COVID-19.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant as the project activities may lead to an increase in the e-waste stream in Ethiopia in the long run as the operation and maintenance of the ICT equipment, including registration kits and credentials can increase in the generation of waste. Hence, appropriate digital pollution prevention and management measure including e-waste management plan will be necessary. The e-waste could be minimized by recovery/recycling of materials from obsolete ICT equipment/e-waste as this can have economic, social and environmental value, can create job opportunities, etc. Besides, digitalization of services could lead to an increased consumption of energy. Where technical and financially feasible, the client shall procure IT equipment which is energy efficient or solar powered. Further requirements shall be described in the environmental and social tools, including e-waste management plan, which will be prepared as part of the updated ESMF.

ESS4 Community Health and Safety

This standard is relevant as e-wastes can have impacts on community health if they are not properly managed. As noted in section II A, people could be exposed to e-waste-related toxicants through air (e.g. open burning of e-wastes), soil (e.g. random disposal of e-waste), water via ingestion (e.g. food chains contamination due to disposal and primitive recycling processes), inhalation, and dermal absorption (e.g. dust and direct exposure of workers who labor in primitive recycling areas and their families). E-waste is not biodegradable with strong tendency to bioaccumulate in agricultural lands posing a community health concern. Other impacts/risks could be linked to data security/personal security of data (e.g., health), data sanitization, theft when digital equipment is used. Furthermore, major works on the production of credential will be in centralized system (in specific areas with limited coverage), the impact is limited in that specific area. However, it requires precaution and the ESMF will also consider this issue.



Hence, community health and safety risks will need to properly identified and managed based on the procedure specified in the ESMF.

Deployment of security forces may be required to prevent theft or attacks on assets as well as protect workers particularly in conflict affected areas. The presence of security can result in risks to the community including undue use of force, and inappropriate conduct to the community. The use of security personal will need to be assessed further during project preparation and may require the development of security risk assessments and security management plans including Codes of Conduct and other measures. A Security Risk Assessment and Management Plan (SRAMP) will be prepared for the project activities to mitigate these potential risks.

Gender Based Violence as set out in the SEA/SH risk rating, the project might have a potential SEA/SH risk due to the presence of IT workers and Project security in project sites including remote areas, and the direct interface with women seeking to obtain IDs.

Significant and deeply engrained disparities continue to remain, and a combination of cultural norms and socioeconomic inequality increases the risks faced by women in terms of their well-being. Identification is commonly associated with the 'head of household' (a traditionally male role) and is mainly required for opening a financial account or getting formal employment outside the home (both of which men are more likely to do). Consequently, women are less likely to pursue getting a kebele ID. Indeed, early results from qualitative research by ID4D is revealing that although there are no legal obstacles for women to access kebele IDs, there are symbolic and practical barriers. Moreover, not having an ID can also lead to harassment and arrest by police officers when people are on the move, as a migrant may be considered as an illegal resident. Thus, the social risk analysis and gender gap study findings and proposed mitigation actions including Code of conduct will be important to inform project preparation and component activities.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

There are no construction activities that will be financed through this project. All IT infrastructures will be placed in existing facilities. Therefore, this standard is not relevant at this stage.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project activities are not anticipated to lead to conversion of habitats. No adverse effect on the biodiversity is also anticipated. Hence, this standard is not relevant at this stage. However, the requirements of this standard will be applied to the project activities in event that E&S screening at the later stages may show any potential adverse effects on habitats and biodiversity.

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

The project will be implemented country-wide, including in emerging regions and in areas where large part of the population follows pastoralist livelihood systems to support outreach and engagement with communities. Thus, ESS7 is applicable. Vulnerable and underserved people are expected to benefit from the project through enhanced access to civil and population registration services. The ability to prove one's identity is expected to greatly facilitate access



to basic services. Any specific approach and/or affirmative action shall be grounded on local needs and contextual barriers these groups have experienced. These people may face more barriers to access legal identity services. The project, through its iterative design and SEP, shall outline systems and procedures to reach out to and engage with diverse stakeholders, including beneficiaries. Active outreach and engagement will strengthen the cultural appropriateness of services and at the same time, prevent unintended exclusion, hesitancy, or self-exclusion, as well as safety risks due to disclosure of sensitive information, such as ethnicity, religion and other identity markers that increase vulnerabilities. As part of the project preparation, the Task Team has commissioned a gender gap study and social risk analysis as due diligence to identify current barriers to access and expected social risks and impacts linked to the introduction and rollout of the Digital ID program. As indicted under ESS1, the social assessment to be undertaken by the project will be informed by the Bank executed due diligence social risks analysis now being prepared. The SA will specifically include 1) cultural adequacy issues and barriers to access for communities that qualify under ESS7 and any other vulnerable groups covered by the Bank’s Directive on Vulnerable and Disadvantaged Groups; 2) formulation of a social risk management action plan that will include the elements of an IPP/IPPF as appropriate. If needed, the SA prepared for the Ethiopian Digital ID project will be updated with planning measures which will ensure, next to addressing overall issues of vulnerabilities under ESS1-10, also culturally appropriate communication, grievance mechanism and benefit sharing with people for which ESS 7 applies.

ESS8 Cultural Heritage

ESS8 is not considered relevant to the project as project activities are not expected to affect tangible or intangible cultural heritage.

ESS9 Financial Intermediaries

No financial intermediary will be involved.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
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OP 7.60 Projects in Disputed Areas	No
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III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?	No
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Financing Partners

None

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

Public Disclosure



Actions to be completed prior to Bank Board Approval:

Actions to be completed prior to project appraisal include preparation of:

1. Environmental and Social Commitment Plan (ESCP) which will set out measures and actions required for the project to achieve compliance with the ESSs over the course of the Project. The ESCP will be agreed with the Bank and will form part of the legal agreement.
2. Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project and its potential risks and impacts. A draft of the SEP will be disclosed as early as possible, and before project appraisal.
3. Labor Management Procedure applicable to this project, which will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS
4. Social Assessment (SA)
5. Update and adopt the Environmental and Social Management Framework (ESMF) including an e-waste management plan which was prepared for Ethiopia Digital Foundations Project
6. Social Risk Analysis (Bank Internal Document)

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

Establishing a functioning E&S risk management implementation arrangement including deployment of qualified staff; implementation of the Project activities in compliance with the applicable Environmental and Social Standards; Preparation and implementation of environmental and social risk management tools following the requirements of the ESMF; preparation of Labor Management Procedure, allocating budget for environmental and social risk management activities; compliance monitoring and reporting; E&S capacity development.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

31-Aug-2023

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Federal Democratic Republic of Ethiopia

Implementing Agency(ies)

Implementing Agency: Prime Minister's Office

Public Disclosure



Implementing Agency: Ministry of Finance and Economic Development

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Luda Bujoreanu, Jonathan Daniel Marskell
Safeguards Advisor ESSA	Martin Henry Lenihan (SAESSA) Cleared on 03-May-2023 at 14:33:45 EDT