Chad: Promoting transparency and its social externalities in the extractive sector (P178272)

Concept Environmental and Social Review Summary Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 03/09/2022 | Report No: ESRSC02428

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Chad	AFRICA WEST	P178272	
Project Name	Chad: Promoting transparency and its social externalities in the extractive sector		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing		4/18/2022
Borrower(s)	Implementing Agency(ies)		
Republic of Chad	Ministere des Finances et du Budget		

Proposed Development Objective

Financing (in USD Million)

Amount

Total Project Cost 0.40

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]

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 finance technical assistance activities such as collection of data, preparation of report and thematic videos, and stakeholder training on the extractive sector. Therefore no major environmental and social impacts are anticipated. Project activities will not require land acquisition, displacement, nor has negative impacts on natural

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habitats or biodiversity, or direct generation of GHG or pollution. Most project activities are expected to take place in N'Djamena. However, as all Bank projects, Environmental and Social Standards 1 (Assessment and Management of Environmental and Social Risks and Impacts) and 10 (Stakeholder Engagement and Information Disclosure) are relevant. Therefore, some E&S instruments such as Environmental and Social Risk Summary (ESRS), Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), Grievance Mechanism Plan (GMP) must be prepared and well monitored by the project unit. Also, during the Covid19 period, special measures must be observed during training, workshops and public consultations to limit contamination. These measures must be included in the ESCP.

D. 2. Borrower's Institutional Capacity

The Ministry of Finance has limited capacity, particularly in terms of monitoring and implementing environmental and social safeguards. This limited capacity is due to institutional instability characterized by frequent staff changes and ongoing restructuring of technical departments without considering the environmental and social component, and limited material and financial resources.

Based on the lessons learned from the Bank-funded "P168666: Mainstreaming the Extractive Industries Transparency Initiative", the Monitoring and Evaluation Specialist of the PAMPIF (Public Financial Management Improvement Project) project team will take care of the monitoring and implementation of the Environmental and Social Commitment Plan (ESCP) and Stakeholder Engagement Plan (SEP) compliance. The project will also (i) seek to build on lessons learned from the World Bank-funded PAMFIP project, which has a proven track record in terms of stakeholder mobilization, and (ii) work hand in hand with the Ministry of Environment, through its Environmental Assessment Directorate for any guidance on E&S national regulation requirements.

In addition, further technical support will be required and will be provided by the World Bank to ensure that measures to address social risks, including mitigation of sexual exploitation and abuse and sexual harassment, security risk mitigation measures are properly implemented.

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

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

This project promote transparency and inclusive stakeholder participation. No direct extractive activities are expected to be financed by the project. Data collection, training, realization and dissemination of report and communication supports are the main activities of this project. The environmental risk has been rated as Low.

Social Risk Rating Low

The social risk assessment is low because this initiative will not require land acquisition or physical displacement. Emphasis is placed on citizen engagement and participation, which will go a long way to ensuring that any future policy changes are inclusive.

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

B.1. General Assessment

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ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The project is not expected to have any negative environmental or social effects or risks and will not require further ES assessment after the initial screening.

However, the project involves collating information from various stakeholders from extractive industries, public administration, civil society, representatives of the people, religious and traditional leaders, and media. Therefore a Stakeholder Engagement Plan will allow a better inclusion of all actors.

The Borrower will prepare an Environmental and Social Commitment Plan (ESCP) to enable a regular monitoring of environmental and social aspects by the project team.

The work plans or other documents defining the scope and outputs of the capacity building and training activities to stakeholders will be drafted so that the advice and other support provided is consistent with the applicable requirements of the ESSs 1–10.

The project's training and dissemination program - particularly that aimed at helping stakeholders understand the impact and local involvement of the extractive industries through targeted dissemination of activity reports that support joint work and active participation of civil society and CSOs - will consider the inclusion of environmental and social dimensions in accordance with the provisions of the social standards and national legislation.

Areas where "Use of Borrower Framework" is being considered:

Not applicable

ESS10 Stakeholder Engagement and Information Disclosure

The main objective of this grant is an inclusive and active stakeholder participation in the extractive sector in order to improve the socio-economic externalities for the country. As this project involves almost the same actors as the Bank-funded Mainstreaming the Extractive Industries Transparency Initiative (P168666), its Stakeholder Engagement Plan can be adapted and used as a key E&S instrument.

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 professionals involved in the implementation of this project are mainly (i) public servants working under the Ministry of Finance and Budget. They are subject to the terms of their contract with the government, (ii) the project may hire up to ten independent consultants who will conduct data collection in the target provinces and provide training and (iii) the PAMFIP's monitoring and evaluation specialist will be tasked with monitoring and implementing compliance with the environmental and social commitment plan (ESCP) and the stakeholder engagement plan (SEP). Given the type of activities envisaged under the project, no LMP is required. However, consultant contracts will need to incorporate provisions to comply with all the requirements of the ESS2 (i.e. Code of Conduct, COVID guidelines, EAS/SH guidelines, etc.), as well as the national labor laws.

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ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is not relevant. No direct, indirect or cumulative impact on resource efficiency has been identified, since the project does not involve any physical intervention.

The project activities are not expected to produce significative pollution. However, capacity building activities should be informed by this standard as may be relevant in developing the workshops and training.

ESS4 Community Health and Safety

This standard is not relevant. No direct or indirect impact on community health and safety is expected as the project does not involve any physical intervention.

However, special measures must be observed during capacity building activities to avoid the transmission of covid19.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not relevant as none of the activities financed by the project will require land acquisition, restrictions on the use or access to land or physical displacement.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not relevant. The project is not expected to have any negative impact on biodiversity or living natural resources. However, capacity building activities should be informed by this standard as may be relevant in developing the workshops and training.

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

This standard is not relevant.

ESS8 Cultural Heritage

This standard is not relevant. No direct, indirect or cumulative impact on cultural heritage under the project has been identified so far, since the projected activities are not expected to include material impacts or commercial use of tangible or intangible cultural heritage.

ESS9 Financial Intermediaries

This standard is not relevant as the project does not involve financial intermediaries.

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

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:

ESCP and SEP

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

N/A

Public Disclosure

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

31-Mar-2022

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Republic of Chad

Implementing Agency(ies)

Implementing Agency: Ministere des Finances et du Budget

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Silvana Tordo

Practice Manager (ENR/Social) Maria Sarraf Recommended on 17-Feb-2022 at 11:42:28 GMT-05:00

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