Concept Environmental and Social Review Summary
Concept Stage
(ESRS Concept Stage)

Date Prepared/Updated: 01/21/2020 | Report No: ESRSC01065
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gambia, The</td>
<td>AFRICA</td>
<td>P166695</td>
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</table>

Project Name: GAMBIA FISCAL MANAGEMENT DEVELOPMENT PROJECT

Practice Area (Lead): Governance

Financing Instrument: Investment Project Financing

Estimated Appraisal Date: 1/27/2020

Estimated Board Date: 3/26/2020

Borrower(s): Ministry of Finance and Economic Affairs

Implementing Agency(ies): Directorate of Public and Private Partnership and Public Enterprises - DPPP&PC

Proposed Development Objective(s):
The Project Development Objective is to strengthen government oversight and fiscal risk management of selected SOEs.

Financing (in USD Million) Amount

| Total Project Cost       | 50.00 |

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]

The proposed project in an amount of US$ 29 million that will provide technical assistance and capacity building support for the implementation of the Government SOE reform program and results-based financing to support the restructuring plans of selected SOEs that present the greatest risk or actual burden on public finances.

D. Environmental and Social Overview
D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Project Development Objective is to strengthen government oversight, fiscal risk management and the performance of selected SOEs for improved service delivery. The project will be implemented at the national level. The project will support the restructuring plans of key SOEs that have the potential of presenting the greatest risk or actual burden on public finances. The project will target interventions in critical reform areas in GAMTEL/GAMCEL and Social Security and Housing Finance Corporation (SSHFC) that are fundamental to strengthen their financial viability, improve their operational and financial performance, and thereby eliminate or minimize the need for public financing of their operations from the national budget. GAMTEL and GAMCEL employ about 56% of all individuals employed in the Gambia’s telecom sector and about 1,550 employees. At the request of the government, a Bank-executed Trust Fund Options Study was completed in December 2018, informing the Government of the viable options for restructuring and possible divestiture or privatization of the companies, some of which may potentially lead to retrenchment of employees.

D.2. Borrower’s Institutional Capacity

The project will be implemented by the Ministry of Finance and Economic Affairs (MoFEA). It will comprise:

(a) the Steering Committee: As the SOE reform involves multiple stakeholders and addresses cross-cutting issues, adequate oversight of the project will require an effective cross-ministry and agency coordination and implementation mechanism. To this end, a steering committee would be created in the MoFEA to coordinate stakeholders, provide overall guidance to the project management team and ensure oversight of the implementation. The steering committee consists of the key institutions including the government, representatives from SOEs.

(b) The Project Coordination Unit (PCU): As the implementing unit of the SOE Reform Program, the Directorate of Public Private Partnership and Public Enterprise (DPPP & PE) will be the PCU and manage the day-to-day operations of the project as part of their work program. An environmental and social due diligence of the institutional arrangements will be carried out to assess any gaps in capacity and the need for procuring a social development specialist dedicated to managing and monitoring the social risks and impacts of the project, once the project implementation arrangements have been finalized between the Bank and MoFEA.

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The environmental and social risk classification for the Project is moderate. The project objective is to strengthen government oversight, fiscal risk management and the performance of selected SOEs for improved service delivery. The expected environmental and social impacts of the project will be generally positive.

Social Risk Rating

The project objective is to strengthen government oversight, fiscal risk management and the performance of selected SOEs for improved service delivery. The environmental and social risk classification for the Project which is to support the restructuring plans of key SOEs that have the potential of presenting the greatest risk or actual burden on public finances is moderate under the World Bank ESF. The risk classification is currently moderate because the social impacts likely to be generated from the project activities at this stage of the project preparation are limited. However,
subject to the findings of the Trust Fund Options Study, the social risk classification may need to be raised should the project pursue the restructuring option to retrench GAMTEL/GAMCEL employees (especially on a large-scale basis).

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:

Overview of application of ESS1: The project objective is to strengthen government oversight, fiscal risk management and the performance of selected SOEs for improved service delivery. The expected environmental and social impacts of the project will be generally positive. The Project will not finance civil engineering works that usually can induce risks and/or negative environmental and social impacts. Environmental risks are expected to be minor, and their mitigation will be guided by national and local laws and procedures. However, the implementation of the activities of component 1 of this project could include social risks, which could become substantial if the Government pursues the option which involves retrenchment of GAMTEL/GAMCEL employees. The social impacts on the retrenched GAMTEL/GAMCEL workers will have to be mitigated and appropriately managed e.g. with a retrenchment plan. The overall risk classification is moderate because the social impacts likely to be generated from the project activities at this stage of the project preparation are limited, but this rating will be revisited during appraisal.

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

The borrower has relevant regulations for environmental and social assessments that can be applied to the project. However, for the present project, it will be necessary to identify measures to mitigate the specific risks: e.g. improvement of the communication system and security conditions of regrouping, considering gender and other vulnerable persons/groups, adoption of a code of conduct, etc.

ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder engagement is a critical tool for social and environmental risk management, project sustainability and success. In consultation with the Bank, the client will prepare and implement an inclusive Stakeholder Engagement Plan (SEP) proportional to the nature and scale of the project and associated risks and impacts. A draft of the SEP will be prepared and disclosed as early as possible and prior to Appraisal. 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) and through channels that are suitable in the local context. If major changes are made to the SEP, a revised SEP should be publicly disclosed. The Borrower will engage in meaningful consultations on policies, procedures, processes and practices (including grievances) with all stakeholders throughout the project life cycle, paying particular attention to the inclusion of the SOEs employees (including the elderly, persons with disabilities, female headed households). Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them regularly.

A project-wide grievance redress mechanism (GRM), proportionate to the potential risks and impacts of the project, will be established. In case of retrenchment of employees, the GRM should also deal with claims that any provisions

Jan 21, 2020
in the retrenchment plan are not followed. The GRMs will be designed at an early stage and will be established by the project effectiveness date.

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 PCU is expected to be staffed by around 6 direct workers and possibly, civil servants. As direct workers performing critical project functions, requirements under ESS2 will be applicable to both the PCU and the Central Ownership Unit (COU) for SOEs. (The COU will be created to improve the monitoring of the SOEs, including a closer assessment of financial and operational performance and SOE-related fiscal risks, and will comprise around 20 persons). Key issues to be addressed in the Labor Management Procedures include terms and conditions of employment, nondiscrimination and equal opportunity, worker’s organizations. Due diligence is also needed to ensure Borrower meets requirements on child labor, forced labor and occupational health and safety. Civil servants will be bound by their public sector contracts, unless their contract has been transferred to the project. Provisions regarding forced and child labor and occupational health and safety will also apply to civil servants.

If retrenchment of GAMCEL/GAMTEL employees is pursued, care should be taken to ensure early, comprehensive and responsible retrenchment planning to mitigate this apparent social risk, proportionate to the scale of retrenchment. The retrenchment process would need to be carried out in accordance with certain principles of ESS 2. The retirement plan should include formulating and communicating objective, transparent and fair dismissal criteria; examining the profile of workers to be retrenched and their employability; assessing alternative livelihood options; as well as the appropriateness of complementary assistance programs and timely severance payments. Poor design and implementation of the retrenchment plan may run the risk of a loss of productivity, low morale and decreasing economic performance, undermining the goals of the SOE reform. Extensive retrenchment may present significant social risk to the broader telecommunication sector (given that GAMTEL/GAMCEL comprise around 56% of the sector); and may require wider consultation with relevant stakeholders (e.g. private sector).

Finally, the project will include a GRM, drawing on the labor laws in The Gambia, which will enable project staff and those participating in the retrenchment process to address labor-related grievances.

ESS3 Resource Efficiency and Pollution Prevention and Management

Not relevant at this stage, as the project will not finance activities that involve energy efficiency or pollution prevention and management.

ESS4 Community Health and Safety
Not relevant at this stage, as the project will not finance activities that involve construction and civil works.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
The project is not financing activities that involve land acquisition, restrictions on land use, or involuntary resettlement.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
Not relevant at this stage, as the project does not involve biodiversity conservation and sustainable management of living natural resources.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
There are no Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities in the project area of influence.

ESS8 Cultural Heritage
Not relevant at this stage, as the project will not finance activities that will affect cultural heritage.

ESS9 Financial Intermediaries
This project is not an FI operation.

C. Legal Operational Policies that Apply

<table>
<thead>
<tr>
<th>Operational Policy</th>
<th>Status</th>
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<tbody>
<tr>
<td>OP 7.50 Projects on International Waterways</td>
<td>No</td>
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<tr>
<td>The project will not finance activities that will affect International Waterways</td>
<td></td>
</tr>
<tr>
<td>OP 7.60 Projects in Disputed Areas</td>
<td>No</td>
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<tr>
<td>The project will not finance activities that will be in Disputed Areas</td>
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III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

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

B. Proposed Measures, Actions and Timing (Borrower’s commitments)
Actions to be completed prior to Bank Board Approval:
Actions to be completed prior to Bank Board Approval:

- Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP)
- Institutional Capacity Assessment
- Preparation of retrenchment plan (if retrenchment option is pursued)
- Preparation of the GRM
- Preparation of a Labor Management Procedure

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

Social
- Implementation of SEP
- Development and Implementation of Institutional Capacity Strengthening Plan
- Preparation of retrenchment plan (if retrenchment option is pursued)
- Implementation of the GRM
- Implementation of the LMP

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 23-Jan-2020

IV. CONTACT POINTS

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Telephone No: 473-5667 Email: nhalewood@worldbank.org

Borrower/Client/Recipient
Borrower: Ministry of Finance and Economic Affairs

Implementing Agency(ies)
Implementing Agency: Directorate of Public and Private Partnership and Public Enterprises - DPPP&PC

V. FOR MORE INFORMATION CONTACT
VI. APPROVAL

Task Team Leader(s): Maimouna Mbow Fam, Naomi J. Halewood

Safeguards Advisor ESSA Nathalie S. Munzberg (SAESSA) Cleared on 21-Jan-2020 at 09:16:2 EST