



# Concept Environmental and Social Review Summary

## Concept Stage

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

Date Prepared/Updated: 02/22/2022 | Report No: ESRSC02597



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Albania	EUROPE AND CENTRAL ASIA	P177845	
Project Name	Improving Universal Access to High Standard Public Services through GovTech		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing	6/7/2022	10/20/2022
Borrower(s)	Implementing Agency(ies)		
Republic of Albania	National Agency for Information Society, Ministry of Finance and Economy		

Proposed Development Objective

To increase universal access to, quality and accountability of priority services.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>65.00</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

Based on the identification of key development problems and the project's Theory of Change, the Government of Albania and World Bank Task Team identified a set of components and activities. The activities are structured around four components:

1. Component 1: Expansion and Enhancement of E-Services: E-Albania 2.0. This component addresses the key problems related to the incomplete simplification and digitalization of services and to the lack of a user-centric E-Albania platform.

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2. Component 2: Addressing Digital Divides: Universal Access to Services of High Standards. This component addresses the key problems related to the digital divide and poor service standards.
3. Component 3: Catalyzing Innovation: New Technologies and Data-Driven Service Delivery. This component addresses the key problems with selected GovTech enablers, namely related to digital innovation, digital skills and data governance for improved services.
4. Component 4: GovTech Enabling Environment and Technical Support. This component addresses the key problems related to gaps in the GovTech policy environment and limited capacities to coordinate and implement the next wave of digitalization reforms. This will support the achievement of results for each component.

The project contributes to the achievement of GoA and World Bank priorities for development in Albania. The project is fully aligned with the CPF for 2022 to 2026, currently undergoing public consultation, which will include a cross-cutting focus area entitled “Digitalization and enhanced effectiveness and efficiency of the public sector”. The project contributes to achieving the outcomes of the FY15–FY20 CPF (extended by one year to FY21 through the Performance and Learning Review) under Focus Area 3 “Strengthening public sector management and service delivery,” CPF objective 3a “Support increased efficiency of public service delivery.”

#### **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 purpose of the project is to support the Government of Albania (GoA) in achieving selected digitalization priorities. This would enable the next revolution of digitalization in Albania and support the GoA vision to transition to a fully digitalized society. The project will be implemented at a national scale in Albania and the Project activities would be all over the country.

Environmental quality in the country is deteriorating due to persistent challenges in managing waste and reducing air pollution and inequalities in access to water services. The quantity and generation of waste in Albania has been increasing and additional e-waste from the digital technology, production of IT hardware is also more generated. Infrastructure for solid waste management is weak in Albania and there is a lack of regulatory enforcement. Albania, along with the rest of the world, struggles with the management of electronic waste disposal. Lack of enforcement on the hazardous waste law allows disposal of electronic waste improperly. Improper disposal is a convenient method because electronic waste can be discarded with normal garbage, which is problematic.

Overall, environmental concerns seem to remain secondary in Albania, as in other regional economies, but the prospect of EU accession will be a driver of environmental reforms.

Albania’s economic and political transition has brought several improvements for citizens: standards of living have improved, labour markets are transforming and providing more jobs, and various promising reforms in the social protection and healthcare sectors have recently been undertaken. However, to improve the long-term prospects of citizens, Albania will need to ensure equal participation of all groups and regions in labour market and education, as well as access to public services, including e-gov services. Vulnerable population sub-groups focus for the respective operation would be rural residents, women, and the Roma.



With regards to citizen broadband use, Albania has made great strides in Internet use and penetration. According to the 2019 Institute of Statistics in Tirana (INSTAT) survey, for the use of Information and Communication Technologies (ICT) by individuals and families, it turns out that nationwide 82.2% of Albanian households have access to the Internet. More than 56.6% of them have a fixed broadband connection, and 88.9% of families have mobile internet access. 87.1% of Albanians use the Internet for various purposes, including social media, online purchases and digital financial services, but also increasingly engage with the public sector through e-services. Despite the improvements in internet use and penetration, gaps still exist mainly between urban and rural areas

The project activities are not expected to account for irreversible environmental and social impacts as the project is not expected to finance major civil works, but will likely support the minor refurbishment of service centers in municipalities. However, the project activities (technical assistance and capacity development) could have indirect environmental and social impacts that need to be properly identified and managed e.g. increased energy consumption for ICT, increased amount of e-waste, and risk of data privacy compromise. These potential direct and indirect risks could be minimized with appropriate e-waste management and with the application of appropriate mitigation measures. An environmentally sound e-waste management system in line with the concept of sustainable development and green ICT could help to minimize the risks. The social risks are mainly connected with potential unequal benefits from the improved e-services because of the digital divide or the deepening of the divide that may exist.

There are also considerable environmental benefits from ICT development on climate change mitigation such as reduction in GHG emissions and cost optimization while using green ICT equipment.

#### D. 2. Borrower's Institutional Capacity

The National Agency for Information Society (NAIS) will be the main counterpart for the proposed project and the Project Implementation Unit (PIU) will be established in the NAIS. The PIU for this Project, which will hold administrative and overall coordination and monitoring responsibilities for the Project, is expected to be located within the NAIS. Fiduciary management (FM) responsibilities will be carried out by this PIU. The NAIS has been granted the mandate and authority to lead the supervision of all government digitization projects at the strategic planning, design, and implementation stages. A dedicated team will be appointed within the PIU, including but not limited to a Project Director, Project Coordinator(s), an FM specialist, a Procurement Specialist, a monitoring and evaluation (M&E) specialist, an Environmental and Social (E&S) Risk Management Focal Point, and other relevant experts from the private sector. Although this will be the first project that NAIS will have managed under the World Bank, the collaboration will build upon a history of successful cooperation with the GoA on digitalization, notably the WB support for the Citizen-Centric Service Delivery Operation (P151972, 2015-2020). The NAIS has a strong and technically competent team which is highly committed to advancing the digitalization agenda, with support from the highest level of the institution.

The Project's overall environmental and social risks are assessed to be moderate for the environment and low for social. The project will prioritize engagement with stakeholders under ESS10. There is also a very low risk related to labor and working conditions under ESS2. Therefore, it is considered sufficient for the NIAS to either hire a full time consultant, E&S specialist or assign full time E&S risk management and performance to suitably qualified personnel from the agency and assign her/him to serve within the PIU team. The E&S specialist would have experience in social inclusion including stakeholder outreach, operationalizing the project grievance redress mechanism (GRM), and implementing provision as part of the Labour Management Procedures (LMP) for the project.



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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The project is expected to significantly contribute to sustainable development endeavors in Albania, by improving public sector efficiency and public service delivery through the use of digital tools, and no major environmental risks and impacts may arise as a result of the project activities. The project will likely support the upgrading of existing integrated service centers, renovate/refurbish a room in the data center or service center, located on Agency for Delivery of Integrated Services in Albania (ADISA) premises and co-located with local government offices, and these activities are expected to generate moderate adverse environmental impacts. Common environmental issues likely to be encountered will be predominantly short-term, local, and reversible and include typical renovation-related disturbances such as dust, air pollution, waste generation, and health and safety risks, etc. In addition to office refurbishment the project will invest mainly in software and installment of the hardware for development and implementation of a Digitech helpdesk ICT system, and likely laying/upgrading some new fiber optical cable (but not confirmed), therefore the other potential risks are related to the generation of e-waste. These potential risks could be minimized with appropriate e-waste management and the application of mitigation measures. As this will be the first project that NAIS will have to manage under the World Bank operation, the NAIS is not familiar with the WB Environmental and Social Framework (ESF) therefore an environmental and social specialist with adequate qualifications will be hired/appointed to ensure that the project is prepared and implemented in line with ESF requirements.

Social Risk Rating

Low

The Social Risk Rating is considered to be low. The key social concerns are ensuring equitable access to project benefits by all and that people are not hindered further by the digital divide. The project has the potential to benefit those currently who lack being connected by addressing the barriers. ICT infrastructure is relatively well developed in urban centers, however, there remains a significant gap between urban and rural areas: while rural areas represent 39.7% of the population, only 3.4% of the population that lives in rural areas is connected to the Internet, although in some areas, this figure is higher. For fixed internet penetration, the urban-rural divide is particularly pronounced. While 12% of the urban population has fixed internet access, only 2% of the rural population has fixed Internet access. At the regional level this differs significantly. Key reasons for the persistent Digital Divide are lack of infrastructure and lack of institutional capacities, but also affordability, for both fixed and mobile broadband access, especially in rural and low-income area. The beneficiaries of the Project will be the population countrywide. There is also concern about risks related to data protection and privacy. People need to trust that digital services will use the data collected only for the intended purposes and that their personal data is secure. Legislation is in place but key elements which provide data protection and consumer protection are often weak. Misuse of data, loss of data, or misused has the potential to place people at risk of discrimination. Also, during the preparation the team will explore the possibility potential risks related to child labor and unsafe working conditions for vulnerable populations (like women & Roma) in waste/e-waste dump sites. Whilst this may not be an issue (yet) in Albania, a WHO report of Children and Digital Dumpsites in 2021 states that “the burgeoning global market in electronic and electrical devices, combined with shorter device life expectancies, is fueling an unprecedented health crisis for children – exposing them to dangerous chemicals and air pollutants at home, in their communities, and in places where they often work

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illegally in exploitative and hazardous conditions. The soaring global popularity of electronic and electrical devices, from computers to cell phones to heavy appliances, combined with ineffective waste management and disposal, is triggering a crisis of e-waste health risks to which millions of children, as well as women of childbearing age, are exposed". In summary, key social concerns relate to (i) ensuring that any systems established under the project will include considerations of digital data protection and security (ii) there is appropriate stakeholder engagement at the national and local level with all stakeholders in a manner that is understandable and transparent and explains the benefits and impacts of the activities; (iii) the rights of vulnerable groups, and people with disabilities are considered in the project to ensure their inclusion and data protection covers such groups as needed. The majority of the project workers will be direct project workers employed or contracted by the PIU. Contracted project workers would mostly be consultants hired by the PIU and in case that the project will finance building rehabilitation and retrofitting, there may also be a limited number of construction workers.

## 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:**

Although no major environmental risks and impacts may arise as a result of the project activities, the outcomes project support may however have environmental implications going forward causing: i) increased quantities of e-wastes that would be added to the waste stream in Albania; ii) indirect effects, such as increased use of energy and iii) dust, noise, air pollution, construction waste, as a result of investments in small scale civil work for refurbishment/renovation of service centers. These potential direct and indirect risks could be minimized with appropriate e-waste management and with the application of appropriate mitigation measures.

Social risks associated with the project may relate unequal benefit of the project due to the digital divide, increasing inequalities that may exist, and those related to data protection and privacy. These will be addressed as part of the project design. Furthermore, data collected, and sharing will be maintained for only the intended use and protocols/agreements established for the sharing of the data within the country. Population may be placed at risk if data is collected or shared inappropriately.

Overall, policy and regulatory mitigation measures should encourage reducing digital environmental footprint via responsible purchasing, optimizing equipment rate and re-using or recycling hardware; promote eco-design best practices for software applications, data and hardware; and explore innovative ways how IT can support the environment.

Proportionally to the sub-projects risks, Environmental and Social Management Plan (ESMP) Checklist will be prepared for typical renovation activities and ESMP in case the reconstruction will be happen, and the client will follow the WBG Environmental Health and Safety (EHS) Guidelines for Telecommunications to address environment, health and safety risks. The borrower will also prepare an Environment and Social Commitment Plan (ESCP) which outline the measures and actions required to avoid, minimize, reduce or otherwise mitigate the potential environmental and social risks and impacts of the project. Both the ESMP Checklist and ESCP will be prepared, disclosed, and consulted on prior to the appraisal. In line with the WB Policy for Investment Project Financing, the



terms of reference, work plans or other documents defining the scope and outputs of technical assistance activities will be drafted so that the advice and other support provided is consistent with the requirements under the Bank’s Environmental and Social Framework (ESF).

There is a possibility that the borrower might require that the project finances laying/upgrading new fiber optic cable. This will be confirmed during the project preparation. In this case the ESS5 standard would be relevant, and the counterparts would prepare relevant instrument, the Resettlement Policy Framework, whereby management of potential land acquisitions needs will be described. Relevant ESS1 instrument will also include impacts from activities such as laying/upgrading of the optic cable.

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

Borrower framework will not be used

**ESS10 Stakeholder Engagement and Information Disclosure**

Stakeholder engagement is a critical tool for social and environmental risk management, project sustainability and success. The project involves a number of stakeholders, and it is important to build a wider support among all stakeholders and beneficiaries, establish clear communication and foster strong relationship with representatives of various government institutions and entities, and encourage ownership and information sharing with a wider public.

Key Stakeholders include National Agency of Information Society (NAIS), Prime Minister Office, Ministry of Standards and Service Delivery, Ministry of Health and Social Protection, Ministry of Health and Social Protection, Agency for the Delivery of Integrated Services Albania, Association of Albanian Municipalities, Association for Local Autonomy, Ministry of Infrastructure and Energy, Department for Development and Good Governance, Council of Minister, Agency for Local Governance Support, Cadastral Agency, Ministry of Finance and Economy, Ministry of Tourism and Environment, Ministry of Education and Sports, Ministry of Interior, Universities, Academia, NGOs, and others to be identified as part of preparation.

The engagement with stakeholders will be undertaken as part of preparation and implementation and through technical meetings, training activities, workshops, regular reports, and regular communication efforts.

In consultation with the Bank the borrowers will prepare and implement Stakeholder Engagement Plan (SEP) proportional to the nature and scale of the project and associated risks and impacts. The SEP will need to take into account sharing information on the project activities, incorporating stakeholder feedback into the Project and reporting and disclosure of project documents. A draft of the SEP will be prepared, disclosed, and consulted on prior to the appraisal. The SEP will outline the approach to engagement during project preparation and implementation, including stakeholder identification and mapping, proposed approaches to engagement for different stakeholder groups as well as timings. The Borrower will undertake meaningful engagement with stakeholders ensuring the provision of timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. Attention will be given to the marginalized groups and strategies for how the marginalized segments of the population will be reached. The marginalized population relevant for the project will be those leaving in remote rural areas, those that could not afford internet i.e. urban poor, and Roma. The SEP will also consider how engagement can be undertaken in

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line with any restrictions that may be in place as a result of social distancing or restrictions on gatherings as a result of COVID-19. This may involve the use of technology, social media, contact through emails as well as more traditional means of communication including radios.

## **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**

ESS2 is relevant for this project. The project workforce will include direct workers of the PIU and other government agencies staff. Contracted workers will include local and international consultants hired by the PIU and potentially contracted workers for small-scale civil work for refurbishment/renovation of service centers. To manage SEA/SH risks and impacts the code of conduct relating the SEA/SH will be asked to be signed by all the contractors and the PIU.

An LMP will be prepared by the borrower, outlining the expected number and type of workers and work monitoring and supervision arrangements. All workers will have access to worker GRM designed to address workers' complaints and grievances. The project shall be carried out in accordance with the applicable requirements of ESS2, in a manner acceptable to the World Bank.

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

The outcomes of project activities may indirectly lead to an increase in the e-waste stream in Albania. Hence, appropriate e-waste management planning will be necessary. An increase in energy use may also result from the use of backup power generators, and the use of cooling and fire suppression systems. These potential risks could be minimized with appropriate e-waste management and efficient resource management strategies.

Proper recovery of materials from ICT/e-waste has economic, social and env value can create job opportunities, etc. The country-level ESMPs will include the application of the mitigation hierarchy to manage e-waste, during design, construction, operation, closure, and decommissioning.

There are also capacity-building activities aimed at the project beneficiaries staff to handle technologically driven development. New technologies often call for improved resource use efficiency and more stringent environmental mitigation measures. As such, depending on the scope of the capacity building for project beneficiaries staff, part of the training could include a session on resource efficiency and the environmental aspects of new technologies and replacement of old equipment.

### **ESS4 Community Health and Safety**

The project will implement adequate occupational health and safety measures (including emergency preparedness and response measures), setting out grievance arrangements for project workers.





A Code of Conduct will be prepared for governing the conduct of all workers to ensure health and safety and prevent Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH).

The activities that will finance the minor refurbishing of the offices for service delivery will also adopt universal access and thus whenever possible the accessibility of the buildings will be improved for people with disabilities

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

The project is not undertaking any land acquisition leading to economic or physical displacement. This standard is not relevant. But, if during the preparation the borrowers require financing of the laying/upgrading of fiber optic cables that the ESS could be defined as relevant and respective framework instrument, the RPF will be prepared.

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

The project and the defined activities are not relevant for the standard

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

There are no Indigenous Peoples, as defined by ESS 7, in the project area.

**ESS8 Cultural Heritage**

The project is not undertaking activities related to or which have impacts on cultural heritage.

**ESS9 Financial Intermediaries**

The project and the defined activities are not relevant for the standard. The project will not provide financing or transaction support to the financial intermediaries .

**B.3 Other Relevant Project Risks**

N/A

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**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

**Financing Partners**

N/A

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

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

Actions to be completed prior to Bank Board Approval:

Develop, disclose, and consult on prior to appraisal:

- Template Environmental and Social Management Checklist for small-scale reconstruction works
- draft Stakeholder Engagement Plan (SEP) including a GRM; ;and
- draft Environmental and Social Commitment Plan (ESCP);

Develop Labor Management Procedures (LMP) including worker grievance mechanism.

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

Ensure that hiring/appointing the environmental and social specialist who will actively support the Project Implementation Unit (PIU) throughout implementation;

Prepare and implement site-specific environmental and social risk management tools such as ESMPs including e-waste management plan

Apply Labor-Management Procedure (including measures on occupational health and safety and Code of Conduct for all project staff, consultants, and workers);

Establish, implement and monitor GRMs available to stakeholders and beneficiaries, project workers;

Continued stakeholder engagement throughout project implementation;

Regular review and updating, as necessary, of the ESCP;

Ensure Implementation of the SEP throughout the project life.

**C. Timing**

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

02-May-2022

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Republic of Albania

**Implementing Agency(ies)**

Implementing Agency: National Agency for Information Society

Implementing Agency: Ministry of Finance and Economy

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):	Mediha Agar, Simon Carl O'Meally
Practice Manager (ENR/Social)	Anne Olufunke Asaolu Recommended on 22-Feb-2022 at 09:55:14 GMT-05:00
Safeguards Advisor ESSA	Agnes I. Kiss (SAESSA) Cleared on 22-Feb-2022 at 11:01:53 GMT-05:00