



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 07/06/2023 | Report No: ESRSA02615



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Eastern and Southern Africa	EASTERN AND SOUTHERN AFRICA	P179804	
Project Name	Africa Think Tank Initiative		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Education	Investment Project Financing	3/31/2023	7/27/2023
Borrower(s)	Implementing Agency(ies)		
African Union	African Union Commission - Directorate of Economic Development, Industry and Trade		

Proposed Development Objective

To establish an effective and sustainable platform to strengthen policymaking capacity in Africa

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>50.00</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]**

The economic shocks associated with the COVID-19 pandemic and the Ukraine war have further highlighted the need for strong African institutions to support effective economic decision-making on a host of regional issues. Despite the enormous pay-offs, many institutions in the region that support policymaking lack the incentives and capacity to conduct rigorous research and engage with policymakers on regional economic policy concerns. Addressing these challenges and encouraging a greater regional effort to collaborate on the development of effective policies will be critical to improving economic policy decision-making in Africa.



A project to strengthen the capacity for evidence-based policymaking on regional priority issues (e.g., climate change, regional economic integration, public health) has the potential to deliver better development outcomes across Africa. The project is suitable for support through the IDA Regional Window because its aim is to focus exclusively on advancing regional integration by fostering progress on cross-country priorities that are associated with significant positive externalities. For example, the project will support policymakers in implementing the African Continental Free Trade Agreement (AfCFTA) which has the potential to double intra-African trade, increase the region’s GDP by 7 percent and reduce the population living in poverty by 30 million – and which is supported by national governments across the region. Without the project it is unlikely that national governments will internalize the cross-border benefits of closer trade ties and underinvest in the underlying policies needed for effective implementation. Through its focus on establishing a platform to promote regional cooperation and develop public goods relevant for all countries (e.g., expanded pool of policy professionals and common research standards), the project is also expected to deliver significant economies of scale compared to a solely national approach that is more likely to suffer from duplication and fragmentation of effort.

The project aims to establish and operationalize a platform for effective cooperation on regional policy issues between country level policymakers, regional associations and think tanks. Through this platform it will build the capacity of the African Union to support and strengthen research on critical regional economic policy issues, including regional integration and IDA20 regional policy priorities (e.g., economic transformation; agriculture, livestock and food security; human capital; digital and technical innovations; and the energy transition). The AU will be supported to establish and operate a functional and sustainable platform that: (i) convenes key stakeholders from governments, think tanks and academia to identify and discuss pan-African priority areas for policy; (ii) bridges the divide between the policy research community and policymakers to facilitate research uptake and promote linkages between think tanks, Regional Economic Communities (RECs) and national governments; (iii) provides technical assistance and institutional support to selected EPs and fosters collaboration among them; and (iv) undertakes and supports resource mobilization for the platform and its beneficiaries’ to support long-term financial sustainability. The project is expected to be pan-African in scope (i.e. including North Africa).

#### 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 proposed grant will build the capacity of the African Union Commission (AUC) to establish and operate a sustainable continental platform that will support economic policymaking on continental priority issues and strengthen the quality, relevance, and uptake of policy research on priority policy issues in Africa.

Two years after the devastating effects of the COVID-19 pandemic, Africa faces challenges of slow growth, rising inflation, and mounting debt, particularly as the global economy is hit with another set of exogenous shocks. Africa's economic growth is expected to remain low at 3.8 percent in 2023 before returning to near pre-pandemic levels of 4.1 percent in 2024. Africa remains home to the most extreme poor—with a poverty rate four times higher than the closest region, despite a general decline in the poverty headcount rate. In recent years, rising inflation has worsened poverty, eroding household purchasing power and disproportionately affecting the most vulnerable segments of the population — youth and women. The urban poor were the hardest hit by the pandemic, and the assistance provided



through fiscal support has not been sufficient to help them recover from the crisis. Youth unemployment has worsened and threatens Africa’s economic transformation. Of Africa’s 420 million youth aged 15-35, one-third are unemployed and discouraged, another third are vulnerably employed, and only one in six is in wage employment. Youth face twice the unemployment rate of adults and remain underemployed, with significant variation by country. The compound effects of inflation and the increasing youth bulge have raised levels of food insecurity sharply in many countries, as average households allocate a larger proportion of their spending to food. Millions of people, especially women, children, and the elderly, have been driven into extreme poverty, food insecurity, and acute hunger and malnutrition.

Africa is vulnerable to the impact of climate change, as it is the driest continent; also, half of its population lives in arid or semi-arid conditions, significantly affecting livelihoods. Climate change poses a significant and growing threat to the region’s growth and poverty reduction prospects. The frequency of extreme weather events has increased significantly, affecting many countries’ already precarious fiscal positions in the region. According to data from the Intergovernmental Panel on Climate Change, the average temperature in Africa increased by 0.5 degrees Celsius from 1970 to 2020, slightly higher than the global average increase of 0.4 degrees Celsius over the same period but with variability across the continent. Some of the impacts of the warming trend include increased desertification, increased frequency and severity of heatwaves, and a loss of biodiversity. Water scarcity has also increased because of evaporation from rising temperatures. The frequency of droughts in Sub-Saharan Africa nearly tripled in the 2010s compared to the 1970s, with the Horn of Africa most impacted. Also, more than one-third of the world’s droughts during 2010–2019 took place in Sub-Saharan Africa (SSA). Countries and regions experiencing droughts have faced food insecurity and humanitarian crises.

Although the COVID-19 pandemic has slowed regional integration, Africa was not performing well even before the pandemic, and it remains a fragmented continent. The small, sparsely populated, and often isolated economies across Africa make a compelling case to integrate regionally to reap efficiency gains, exploit economies of scale, and reduce the “thickness” of borders.

These and other challenges and opportunities confirm the importance of effective policymaking and the need for renewed efforts to tackle persistent and interrelated economic and social development challenges. To deal with the emerging multi-crisis realities, policymakers in government on the continent will require strong evidence and knowledge intermediaries to justify their interventions.

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

The African Union Commission (AUC) is the IDA recipient for the project and will manage and coordinate all project components. Different departments within the AUC will be engaged in project implementation according to the project activities and the respective departments’ mandates and areas of work. The Economic Development, Trade, Tourism, Industry and Mining (ETTİM) department, a technical directorate in charge of economic policy and research, regional integration, and cooperation at the AUC, will be responsible for day-to-day project implementation and operations. It will include a project implementation unit headed by a Project Coordinator and will dedicate staff to manage the responsibilities.

The think tanks selected competitively under the project will implement project activities primarily relating to knowledge generation, communication of research, and promotion of national adoption of regional priority policies.



Through the Platform's general fund, the beneficiary think tanks will receive grants from the AUC to implement their proposals via a Partnership Performance Agreement (PPA) based on annual work plans. The PPAs will define the responsibilities and obligations of the think tank and elaborate on reporting requirements and frequencies (a template of the PPA will be included in the Project Operations Manual). Each think tank will be responsible for institutional-level financial management, procurement, safeguards compliance, monitoring, and evaluation.

The AUC has experience in the implementation of World Bank-financed projects. The proposed project is the fourth in an ongoing engagement to support the African Union (AU) through targeted investments to build the African Union Commission's (AUC) capacity to facilitate regional integration. The World Bank's Executive Board of Directors approved the first project—Support for Capacity Development of the African Union Commission and other African Union Organs (P126848) on May 4, 2014. The second project is the Africa Centers for Disease Control Support Program to Combat Current and Future Public Health Threats Project (P178633) which was approved in 2022. Another project, Building Institutions and Systems to Harness and Realize Agenda 2063 Project (P180117), is under preparation.

The proposed project does not require E&S staffing as there are no adverse environmental and social footprints, as the project focus is technical assistance activities. However, PIU, under the AUC and ETTIM, will assign an E&S focal person to oversee the project's overall implementation of environmental and social risk management. The project shall ensure that technical assistance activities comply with relevant environmental and social standards. This requirement will be indicated in the environmental and social commitment plan. In addition, the Bank shall organize ESF training for the PIU which will be established for the project under ETTIM.

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## II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

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

Moderate

#### Environmental Risk Rating

Moderate

The Project supports technical assistance and capacity building capacity development to establish and operate regional platform and develop the capacity of the AU to mobilize resources and establish facilities and explore the establishment of an endowment fund to support the sustainability of the platform and Capacity development to strengthen the quality, relevance and uptake of policy research on regional priority issues so that AUC to host activities on the platform developed under Component 1 to promote knowledge exchange on regional economic issues, create a forum between policymakers and think tanks to develop a shared research and technical assistance agenda, and facilitate greater policy adoption. Each selected think tank will use its grant to implement activities in three main areas including Producing relevant, good quality and collaborative policy research on continental priorities, developing, and implementing activities for effective policy engagement and influence, building institutional capacity to enhance sustainability. As part of project support, selected think tanks will undergo an institutional capacity assessment to develop and supplement existing capacity building activities. A critical area of grant support will be to help think tanks strengthen their financial sustainability. There are no direct support or the formulation of policies and programs but rather a capacity-building activity through establishment of regional platform and develop and support the sustainability of the platform through strengthen the quality, relevance and



uptake of policy research on regional priority issues to promote knowledge exchange on regional economic issues. Furthermore, it is also noted that the Project is planned to be implemented at an institutional level and doesn't have a physical footprint on the ground. No rehabilitation or construction of new infrastructure or TA-type activities that result in negative environmental impacts will be financed through the project. The capacity-building support activities including the support to establish and design the general fund; operate regional platform and ICT processes required to run the platform; design of a resource mobilization strategy; undertake studies necessary to establish and operate the endowment fund including feasibility studies will be undertaken in compliance with relevant environmental and social framework in a manner that is consistent with the ESF and relevant standards. The e-waste generated due to the purchase of ICT equipment to run the platform (probably some desktops/laptops, server-to-host repository) is limited, and all the necessary precautions will be taken for handling and disposal of this equipment following good industry practices, ESS3 and the World Bank's Advisory Note on Technical Assistance. The E&S implications coming from the implementation of capacity building activities will be taken into account during the design and implementation of the capacity support considering relevant ESF requirements. Thus, considering the limited downstream environmental impacts/risks of all the referenced technical and capacity building activities (which could be easily mitigated through proper consideration of environmental and social objectives into the planning process) and the commitment of AUC to implement the project with the support of dedicated assigned E&S focal person the expected environmental, health and safety risks of the project is rated Moderate.

**Social Risk Rating**

Moderate

The proposed social risk classification is moderate at this stage, considering the nature and magnitude of the potential social risks and the impacts of the proposed activities. The project will support technical assistance (TA) activities that do not have direct adverse social impacts. The proposed activities under the two components mainly involve TA aimed at building the institutional capacity for AUC to facilitate an effective and sustainable platform to strengthen policy making in Africa. The AUC will also directly support elements of the institutional capacity building of African think tanks on knowledge generation, communication of research, and promotion of the national adoption of regional priority policies. The project will not involve any physical investment, therefore there are no anticipated risks or impacts related to land acquisition, restrictions on land use, or involuntary resettlement. In addition, as the direct and immediate beneficiaries of the project are the relevant AU entities that will benefit from support for strong policy making capacity, the proposed activities of the project will have limited involvement with communities, hence, limited or no community health and safety risks and impacts. The project is anticipated to involve multiple staff for the implementing agencies, mainly in the AUC in Addis Ababa and several other African countries that think tanks will be selected from. The implementation of TA activities could be disrupted due to the contextual risks of the security situation in the western and eastern Africa that could potentially cause impacts on the project workers' safety and security as well as risks related to SEA/SH or other forms of GBV. There could be a risk of excluding women and other vulnerable groups (such as people living with disabilities) from activities related to training, fellowships, staff exchanges, secondment programs, and think tanks in Africa that tend to be dominated by male researchers, analysts, and leaders. The project will give priority consideration to the TA programs and activities for women and other potential beneficiaries who represent underserved demographics, geographies, and sectors, including the vulnerable disadvantaged and groups in the participating countries. Furthermore, as the proposed activities involve engagement of project workers with the proposed TA activities, there may be potential risks related to labor and working conditions, including risks around discrimination/exclusion based on gender and ethnicity, occupational health and safety (OHS) workers' security, and risks related to GBV. Thus, the requirements for labor management procedures and security and safety measures will be incorporated into the ESCP. AUC will also develop an abbreviated

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Stakeholder Engagement Plan, which will include the Grievance Redress Mechanism (GRM) to ensure a meaningful engagement with all project stakeholders and to facilitate the resolution of grievances concerning the Project.

## **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 support technical assistance (TA) activities that do not have any direct significant adverse environmental and social risks and impacts. The proposed activities under the two components mainly involve TA aimed at building the institutional capacity for AUC to facilitate an effective and sustainable platform to strengthen policy making in Africa.

The project will not involve any physical investment, therefore there are no anticipated risks or impacts related to land acquisition, restrictions on land use, or involuntary resettlement and labor influx. In addition, as the direct and immediate beneficiaries of the project are the relevant AU entities that will benefit from support for policy making capacity, the proposed activities of the project will have limited involvement with communities, hence, limited or no community health and safety risks and impacts. There could be a risk of excluding women and other vulnerable groups (such as people living with disabilities) from activities related to training, fellowships, staff exchanges, secondment programs, and think tanks in Africa that tend to be dominated by male researchers, analysts, and leaders. The project will give priority consideration to the TA programs and activities for women and other potential beneficiaries who represent underserved demographics, geographies, and sectors, including the vulnerable disadvantaged and groups in the participating countries.

As the proposed activities involve engagement of project workers with the proposed TA activities, there may be potential risks related to labor and working conditions, including risks around discrimination/exclusion based on gender and ethnicity, occupational health, and safety (OHS) workers' security, and risks related to gender-based violence (GBV). Thus, the requirements for labor management procedures and security and safety measures will be incorporated into the ESCP. AUC will also develop an abbreviated Stakeholder Engagement Plan, which will include the Grievance Redress Mechanism (GRM) to ensure a meaningful engagement with all project stakeholders and to facilitate the resolution of grievances concerning the Project. For both project components, the requirements set out in paragraphs 14-18 of ESS1 shall be applied as relevant and appropriate to the nature of the risks and impacts. 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 ESSs 1-10. Implementing the project components can provide an opportunity to build counterpart capacity for integrating environmental and social concerns into their work.

#### **ESS10 Stakeholder Engagement and Information Disclosure**

This standard is relevant. A draft Stakeholder Engagement Plan (SEP) has been prepared that (i) describes the project stakeholders, making a distinction between those directly affected by the project and other interested parties; (ii)





describes the timing and methods of engagement with key stakeholders throughout the life cycle of the project, including engagement activities before project appraisal, (iii) describes the type of information that will be provided to stakeholders and how feedback from stakeholders will be solicited and recorded, and; (iv) describes the project-level Grievance Mechanism to be developed by the AUC per the requirements of ESS10.

However, the engagement requirements will be limited to stakeholders participating in institutional capacity development since there is no direct contact with the community, including the disadvantaged and vulnerable groups. Each beneficiary think tank, which will receive grants from the AUC, will be responsible for institutional-level stakeholder engagement and information disclosure activities. The Partnership Performance Agreement (PPA) will define the responsibilities and obligations of the think tanks and elaborate requirements for stakeholder engagement and information disclosure (a template of the PPA will be included in the Project Operations Manual).

Project documents, including environmental and social risk management instruments and the ESCP, will be disclosed promptly to ensure a meaningful and informed engagement with all project stakeholders. Engagement with stakeholders will continue throughout project implementation. The SEP shall be disclosed before Appraisal and finalized at the latest by project Negotiations.

## **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**

This standard is relevant to this project. The TA activities will be provided through existing AUC staff and other AU specialized agencies. In addition, the AUC may engage direct and contract workers as PIU staff and consultants to support the TA activities. Primary supply and community workers are not anticipated to be engaged in the project. There are risks related to labor and working conditions, including discrimination/exclusion based on gender and ethnicity, Occupational Health, and Safety (OHS), workers' security, and related risks of gender-based violence (GBV) during the implementation of the proposed technical activities.

To manage the labor risks, the AUC will develop and adopt simplified Labor Management Procedures (LMP) prior to Project's Effective Date. The LMP shall include obligations to ensure compliance with the requirements of ESS2 and AUC's Policy on Staff Rules and Regulations, as well as the WBG's EHS Guidelines. The AUC policy on Staff Rules and Regulations aims to promote effective and efficient management of human resources in the organization, and it sets out guidelines for job classification, recruitment, and selection, condition of service, performance management, training, and staff development, employee benefits, health and safety, disciplinary measures, and grievance handling. Thus, relevant aspects of the ESS2 and AUC's policy requirements shall be included in any terms of reference (ToR) of the TA activities, the Partnership Performance Agreements for the beneficiary think tanks, and workers' contracts. In addition, AUC will develop an OHS protocol in compliance with the WBG's EHS Guidelines (including proper fire safety and ventilation provisions) which will be adopted and implemented throughout the project implementation. The occupation, health and safety guidelines of AU Member States shall also be observed during the design and implementation of the Project interventions. Further, the TA activities will be implemented per the requirements of





the OESRC Advisory Note on Technical Assistance and the ESF to properly address potential downstream health and safety risks.

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

ESS3 is relevant. The development of ToRs for capacity building activities, including the terms of reference, work plans, or other documents defining the scope and outputs of technical assistance activities, and the purchase of few ICT equipment, will be undertaken as per the ESS3 requirements, good industry practices as well as WBG EHS Guidelines.

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

This standard is currently relevant. As the direct and immediate beneficiaries of the project are the relevant AU entities that will benefit from support for strong policymaking capacity, the project's proposed activities will have limited involvement with communities, hence, limited or no community health and safety risks and impacts are anticipated. Traffic and road safety and labor influx risks are also not anticipated under the project. The technical assistance activities will be implemented in compliance with the OESRC Advisory Note on Technical Assistance and the ESF so that potential downstream risks to the community can be avoided or minimized. Proportionate to the potential moderate risks of SEA/SH, the AUC will be expected to ensure preventive measures are in place to address related risks during implementation. Specifically the requirements of labor-management and behavioral standards or code of conduct will be provided in all the contract documents and tailored grievance mechanism for the project workers with a confidential venue of accountability to address issues related to SEA/SH need to be availed and operationalized during project implementation. The AUC will regularly monitor the project workers' conditions throughout project implementation to ensure that they e employed/engaged in line with relevant AUC policies and the requirements of ESS2.

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

This standard is not relevant.

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

ESS6 is not considered relevant.

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

This standard is not relevant.

### **ESS8 Cultural Heritage**



This standard is not relevant.

**ESS9 Financial Intermediaries**

This standard is not relevant.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

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

N/A

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: African Union

**Implementing Agency(ies)**

Implementing Agency: African Union Commission - Directorate of Economic Development, Industry and Trade

**V. FOR MORE INFORMATION CONTACT**

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## VI. APPROVAL

Task Team Leader(s):	Samer Al-Samarrai, Raymond Muhula
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