**Federal Democratic Republic of Ethiopia**

**Ministry of Finance (MoF)  
and Ethiopian Digital Identification for Inclusion and Services Project (EDIDP)**

**Terms of Reference**

**For the Preparation of** **Environmental and Social Management Framework (ESMF) for Ethiopian Digital Identification for Inclusion and Services Project (P-179040)**

**Procurement Reference No.** **ET-MINT-307528-CS-QCBS**

**June/2022**

1. **Background**

**State of identification in Ethiopia**

Ethiopia is one of the few countries in the world that does not have a digitized foundational ID system beyond its civil registry. The most common ID in Ethiopia is a paper-based card issued independently in more than 16,000 sub-districts and neighborhoods or “kebeles”. The kebele IDs are typically laminated paper-based cards that capture an individual’s biographic information in handwriting and include a stapled photo, often provided and paid for by cardholders. The kebele card is used by Ethiopians to access almost all public and private services, including functional forms of IDs such as driver’s licenses and passports.

However, there are a number of challenges to this system. To begin, the coverage is not universal: 41 percent of adults reported not owning a kebele ID in the 2017 Findex survey.[[1]](#footnote-1) There is also a considerable gender gap in kebele ID ownership: men are 19.7 percent more likely to have a kebele ID than women.[[2]](#footnote-2) Recordkeeping for Kebele IDs is highly informal, such that information is documented in writing, and stored at each local kebele in hard-copy ledgers and books which are vulnerable to damage, unauthorized use, and theft. Additionally, biographic information is often relayed and confirmed through verbal and anecdotal testimonies,[[3]](#footnote-3) which leave room for forgery, duplication, discrimination, and fraud. Moreover, the kebele ID is tied to specific geographic jurisdictions and, as a result, does not serve as a continuous form of identification throughout the life of the individual if they move for any reason. Rather, Ethiopians relocating from the kebele outlined in their ID card to other sub-districts, including the capital, are forced to obtain a new card from a different jurisdiction.

The community-based nature of kebele ID administration has both pros and cons. The fact that the kebele ID is issued locally by leaders who know their communities well has contributed to good enrollment rates throughout many parts of the country. However, as more rural-to-urban migration takes place, and as Ethiopia’s public and private sectors prepare to engage with technology more effectively, there are opportunities to adopt a more secure and responsive form of identification that is aligned with international best practices and the Government of Ethiopia (GoE)’s vision for a digitized economy. It will be imperative for this new digital ID system to maintain the benefits of the current kebele ID system while avoiding the replication of its weaknesses.

**The Ethiopian Digital ID program**

The Government of Ethiopia has launched a five-year program (2021 – 2026) to introduce an inclusive and trusted foundational digital ID system, led by the Prime Minister’s Office (PMO). It is becoming known by the name “Fayda” which means value in many local languages. The aim is to accelerate Ethiopia’s transition to an inclusive and resilient digital economy, society, and government, including expansion of social safety nets, financial inclusion, and modernizing healthcare delivery.

The PMO is currently working on the drafting of a new Digital ID proclamation expected to be adopted by the end of 2022. The legislation and the Digital ID program are aimed to be aligned with international good practices, including the [Principles on Identification for Sustainable Development](http://www.id.et/principles).[[4]](#footnote-4)

The PMO is currently conducting a series of pilots to test different aspects of the digital ID system, based on the “digital public good” Modular Open-Source Identification Platform (MOSIP) software. About 100,000 registrations have been completed in the finalized pilot (June 2022). A total of four (4) rural PSNP beneficiaries woredas located in two regions (Oromia and Sidama) were part of the pilot.

**Component-1: Building Institutions and Trust**

This component has three subcomponents and aims to cover facilities, equipment, consultant hiring, issuing laws and regulations, planning and organization, sustainability models, advocacy, and establishing routine feedback mechanisms.

* **Sub-Component-1.1:** Operationalization ofEthiopian digital identification institution.
* **Sub-Component-1.2:** Establishing and strengthening key institutions in the ecosystem.
* **Sub-Component-1.3:** Stakeholder engagement, communications, and grievance systems.

**Component-2: Establishing Fayda**

This component has two subcomponents and aims at ICT infrastructure development, procurement of registration kits, Automated Biometric Identification System ABIS, and related licenses, covers for the implementation of Network Operation System (NOC), Security Operation System (SOC), monitoring tools, capacity, and strengthening linkage with a cyber security agency.

* **Sub-Component-2.1:** Digital infrastructure in support of FAYDA, including software and licenses.
* **Sub-Component-2.2:** Establishing cyber security and data protection capabilities.

**Component-3: Use-Cases**

This component has three subcomponents and aims at supporting three on-board channels (EDIDP, national players, Tiers-2 commercial entities) and for card printing, SMS, Mobile ID, and dissemination of each credential strengthening use-cases and integrating with Fayda, eKYC, and authentication all sectors, refugees, build Ethiopia Stack that relay on Fayda by working with institutions such as ETSwitch, PKI.

* **Sub-Component-3.1:** Enrolment operations and credentials production and distribution Disbursement Link Indicator (DLI).
* **Sub-Component-3.2:** Streamline service delivery in key sectors/expand and transform service delivery.
* **Sub-Component-3.3:** Lay foundation for Ethiopia stack.

**Component-4: Project Management**

This component contains three subcomponents and will support the Project Implementation Unit (PIU) to be set up at the EDIDP office under PMO. It specifically supports routine monitoring on meeting target DLIs or other indicators and on compliance with ES standards, and general pot for ad hoc capacity needs.

* **Sub-Component-4.1:** Project Implementation Unit
* **Sub-Component-4.2:** Monitoring and Evaluation
* **Sub-Component-4.3:** Capacity Building

**2. Rationale for the Environmental and Social Management Framework for the EDIDP Project**

Based on an assessment made some of the project components will involve infrastructure development and data center implementations and digital equipment procurements that could be a concern for environmental and social risk and impacts management. The assignment for this Terms of Reference is for a Consulting firm to prepare an Environmental and Social Management Framework (ESMF) for Ethiopia Digital ID Project (project No) with the aim of providing Environmental and Social Management processes and serving as a risk management instrument to ensure that the environmental and social risks/impacts of the (project name) project are properly considered during project design and implementation.

**The objective of the Consultant’s Service**

The general objective of the mission is to carry out the environmental and social management framework. At the end of the study, the PMO/MoIT will have an Environmental and Social Management Framework (ESMF) study including an Environmental and Social Management Plan (ESMP) and also specific provisions related to movable and built cultural heritage conservation.

**3. Objectives of ESMF**

The objectives of the Environmental and Social Management Framework (ESMF) are:

* To provide as much information as possible about environmental and social risks/impacts including health and safety risks/impacts of the project.
* To inform the relevant institutions involved on the potential risks/impacts of the project on the resource base, water, and energy and at the planning and design processes of implementation.
* To describe the procedure for subsequent assessment of risks/impacts and development of appropriate impact management instruments such as ESIA/ESMP when the details of the project implementation become known.
* To provide all involved institutions with a consistent approach to Environmental and Social Impact Assessment (ESIA) including stakeholders such as consultants, communities, and the authorities.
* The document details the required procedures for conducting an ESIA in Ethiopia and the requirements for environmental and social management based on World Bank ESF and ESIA procedural guidelines for the country. This ESMF will be developed to support the stakeholders to be enrolled in the project implementation. These requirements are presented on a step-by-step basis and specify tools that may be considered when engaging in the ESIA process. Reference is made to the legislation and policies and international conventions that the country is signatory with. Any project implementers and developers must comply with the key issues for environmental and social assessment in specific development sectors that are detailed for consideration.
* To provide background information for the forthcoming preparation (if feasible) of the Environmental and Social Impact Assessment (ESIA).
* To assist the project implementers and stakeholders in determining their roles and responsibilities in the ESIA preparation and implementation process.
* To identify potential social and environmental risks/impacts of the development project which has several subprojects and where the location of implementation is not known yet and recommended appropriate environmental and social management plans and mitigation measures.
* To incorporate any recommended additions to plan and strategy standards to fill gaps and identify any possible need for an additional institutional framework to be prepared; if necessary, the consultant should apply best international practices, experience, and judgment in identifying other appropriate technical outputs.

**4. Scope of the Work or Major Tasks**

The consulting firm:

* Shall identify all the stakeholders and their responsibilities in implementing and monitoring the implementation of environmental and social mitigation measures.
* Assess baseline scenario of the country and potential project concept documents if any, project sites, including environmental aspects, and socio-economic status.
* Shall consider all Environmental and Social standards and requirements of the World Bank in developing the ESMF.
* Shall identify, anticipate, evaluate, and compile significant environmental and social risks/impacts emanating from the implementation of the project.
* Shall assess further risks/impacts of the project implementation that are anticipated both at the implementation and operation phases of the project.
* Review the national policy framework related to environmental protection, waste management, social protection, and any other relevant documents to the project.
* Shall propose possible cleaner energy sources such as renewable energy sources, and cogeneration where applicable in the project implementation.
* Interview project implementing institutions, beneficiaries, and stakeholders and solicit their views on environmental and social risk management
* The ESMF report will include:
  1. Screening tools and checklists for various subproject-specific activities in the ESMF (siting of construction if any, monitoring of waste management, lab management, etc).
  2. Generic timeline for screening and categorization of subproject activities once potential sub-projects have been identified, development of preliminary Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plans (ESMPs) and their consultation and approval process
  3. Chance Finds Procedures for physical cultural properties (archaeological finds, religious structures, culturally sensitive icons, etc.) discovered or impacted during project implementation.
* The document details the required procedures for conducting an ESIA and the requirements for environmental and social management based on the World Bank ESF and ESS and ESIA procedural guidelines of the country. These requirements are presented on a step-by-step basis and specify tools that may be considered when engaging in the ESIA process. Reference is made to the legislation and policies and international conventions that the country is a signatory to which will include responsibilities for clearances and authorizations, supervision, monitoring, and reporting.
* Define the institutional arrangements for implementing the ESMF, including clear roles and responsibilities for screening/scoping of subprojects, ESIA/ESMP preparation, consultations, approval, procurement and supervision, and monitoring.
* Detail the training requirements for strengthening capacity for environmental and social management and monitoring.
* Define Grievance and Conflict Resolution mechanisms for disputes relating to issues arising during the implementation and operations phases of the project.
* Accordingly, the consultant will combine the interim reports and key elements of the report into a draft report for dissemination to stakeholders by EDIDP and the World Bank. The consultant will prepare the final report, incorporating comments suggested by EDIDP and the World Bank. The Consultant may be required to participate in key follow-up discussions necessary to further disseminate and explain the findings and recommendations of the ESMF, particularly to the EDIDP, relevant regulatory bodies, and the World Bank. The draft and final reports will specifically address and include the relevant: Legal, Regulatory, and Institutional mechanisms in place with regard to the use of ESMF and conducting the ESIA by the implementing institution.
* Undertake generic gender-specific impacts or opportunities as part of this ESMF Including how men and women may differently experience environmental and social risks and benefits in the project implementation. In general, the envisaged ESMF development often brings benefits to the project implementers and partners, including opportunities for eco-friendly economic development.
* Prepare budget and timeframe: a detailed budget and timeframe for implementation of the ESMF for the full duration of the project. This should include the development of other ESIA/ESMPs, clearance requirements, capacity building, consultations, disclosure, etc.
* Generally, the scope of the work shall include a description and specific activities that will be performed in order to prepare the required ESMF. This should include any proposed on or off-site visit/reconnaissance documents to be reviewed such as the original Project Appraisal Document (PAD) and Feasibility studies if any, interviews, stakeholder’s meetings, etc. If the consultant believes that additional tasks or components within a required task are necessary or warranted, these should be started and delineated as ‘optional Tasks’.

**5. Methodology**

A mix of both qualitative and quantitative assessment methodology and also on and off-site visits can be applied for the intended ESMF development. In carrying out the intended consultancy work, the Consultant:

1. Shall specifically refer to:

* Relevant national laws, regulations, policies, and strategies of the country related to Digital Development.
* WBG Environmental and Social standards.
* Relevant international conventions and treaties to which the country is a signatory.
* IFC’s stakeholder engagement handbook.
* WBG Industry Sector Environmental, Health, and Safety Guidelines/Pollution Prevention and Abatement Handbook
* The World Bank Environmental and Social Standards.
* Original documents relevant to the EDIDP.

1. Shall conduct on and off-site visits and assessments on project implementation sites, the materials presented on the ESMF developed should reflect the observations on and off-sites.
2. Shall clearly state the condition of the project implementation areas and include maps with locations of key features (e.g. locations, land uses, natural features, communities, and other sensitive receptors if any).
3. Shall identify key risks and impacts of the project and will also provide an Environmental and Social Management Plan containing mitigation measures for any negative impacts related to the project implementation, and a timeline for implementation. When presenting the mitigation measures, the consultant shall also indicate the institutional arrangements or responsibilities and budget for implementation and/or capacity-building programs that may be needed to ensure the effectiveness of mitigation implementation and/or monitoring plan and Emergency Preparedness and Response Plan.

**6. Deliverables**

The main outputs of this consultancy service will be an Environmental and Social Management Framework document.

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| --- | --- | --- | --- |
| No | Deliverable | Timeframe | Remark |
| 1. | Inception report (focusing on how to do aspects of the ESMF report) | 15 working days after signing the contract | a start-up report that will describe the precise and detailed methodology, data collection tools, list of stakeholders and the mission schedule. This report will have to be validated by the client and will be submitted in four (04) copies |
| 2. | Draft ESMF report | After 30 days from the signing of the contract | The final ESMF report should among others take account of the feedback from the draft report presentation and written comments provided and/or compiled by the Client EDIDP and WB. This report will have to be validated by the client and submitted to in four (04) copies. |
| 3. | Final ESMF report | After 15 working days after the draft report is incorporating feedback | Final versions of the ESMF report and of the Follow-up and Environmental Monitoring Program in four or five copies. In addition to the number of copies required above, the Consultant will provide a computerized version (USB, CD) of the report. |

**7. Duration of Assignment**

The duration is expected to be for a period of 60 days. The consultants will fully devote their time and work with the client staff to prepare documents of acceptable quality.

**8. Qualifications**

As part of the ESMF development for the assessment and management of environmental and social risks/ impacts, the consulting firm must include specialists indicated in the TOR. This should include the names of the consultant team members, their qualifications including relevant technical capabilities and specific previous experience as well as their current contact address must be presented in detail as requested in the TOR.

The consulting firm which is seeking to carry out the intended ESMF should demonstrate experience and qualifications in conducting ESMF studies and developing plans, and strategies, which can be used as a base for ESIA/ESMP studies. The team will work closely with the EDIDP and the World Bank Country Office as well as with other relevant stakeholders. Moreover, the two key professionals (Team leader and Environmentalist) should be professionals that work with the firm on at least one assessment together.

Therefore, the firm must include the following professionals/specialists, with the minimum qualifications of the team members as follows:

* ***Team Leader/Coordinator***- specialist with an advanced degree and qualifications in relevant fields (preferably: environmental engineering, environmental sciences,) with a minimum of ten years of experience in ESIA study and in the development of ESMF; and work as Team Leader in such assignments. Must have relevant Experience in World Bank and National Sector Policies Strategies and Regulations.
* ***Social development/safeguards expert*** *-* specialist with an advanced degree in a relevant field (Sociology, Development Studies, Population Studies, or Anthropology) with at least 8 years of experience working in community development, Experience with conducting Social Impact Analysis, using participatory approaches. Must be very knowledgeable and familiar with the social-related policies and regulations existing in Ethiopia (health and safety of workers, gender-related issues, the inclusion of vulnerable groups, WB Environmental and Social Standards etc.), and proven expertise in community development. Must be familiar with existing policies and regulations regarding stakeholder communication/consultation/ engagement, and preferably with experience in communication policymaking.
* ***Occupational Health and Safety Specialist*** - specialist, with at least eight years of experience working in safety and occupational health in Ethiopia. Must be very knowledgeable and familiar with the safety and occupational health national and World Bank policies and regulations existing.
* ***Air Quality Experts –*** Specialist with at least 5 years of experience in identifying and quantifying the Green House Gases (GHG) associated with digital equipment for Digital ID.
* ***Waste Management Expert –*** Expert in both digital and domestic solid and liquid waste management, and with at least ten years of experience working on composting of organic wastes and on dumping mechanisms of electronic and digital wastes.
* ***Digital Expert –*** with an advanced degree in information technology and preferably familiar with the digital ID, digital government, digital economy, and digital businesses and connectivity.

**An indicative outline of the ESMF**

## The ESMF will include the following sections:

* Cover page
* Table of contents
* List of acronyms
* Executive summary
* Introduction
* Description of the project
* Description of the project’s areas of influence
* Environmental and Social Context and Baseline Conditions
* Relevant policies, legal and institutional, regulatory, and administrative frameworks relevant to environmental and social management
* ESMF processes and Implementation
* Consultations with relevant stakeholders
* Description of the environmental and social risks/impacts and benefits of the project
* Description of the proposed mitigation measures
* Proposed Environmental and Social Management Plan (ESMP)
* Monitoring and Supervision Plan of ESMF
* Grievance Redress Mechanism
* Training and Capacity Building Plan
* Budget and Timeline

**Annex 1: Focus areas for the Environmental and Social Management Framework (ESMF)**

**1.** **Description of the objective and the methodological approach**

**Description of the context and the sub-projects Study Area Delineation**

The study must establish the spatial and temporal boundaries of the project's area of influence. This is based on the maximum potential for interaction between the project and the environment. The study must distinguish between direct and indirect impact zones on the natural and human environments.

**Description of the applicable legislative and regulatory framework**: The Consultant will analyze the texts, laws, and decrees governing environmental and social assessment in Ethiopia, as well as the institutions in charge of implementing environmental and social regulations, including institutions and bodies in charge of vulnerable people including women's rights, in relation to the project. This description should also identify the procedures and actors involved in obtaining the environmental and social authorizations required for the implementation of the different phases of the project.

**Analysis of alternatives and variants**: The Consultant shall analyze the available documents and experiences to propose alternatives and variants that are the least harmful to the environment and populations, including in terms of gender relations.

**Description of the initial state**: The Consultant will describe the components of the natural and human environments. On the basis of available data by appropriate quantitative and qualitative inquiries, the study will describe, in the most factual manner possible, the relevant components of the environment in relation to the issues and impacts of the project. This description will highlight:

* The state of the environment at the time the study is conducted.
* Relevant information on the modifications likely to occur before the work begins.
* Relevant information on the evolution of the environment in the absence of the project
* The living conditions and aspirations of the different segments of the neighborhood’s population, as well as the young generations of schoolchildren and their teachers.

1. **Mission of the Consultant**

The Consultant's work will consist of assembling, evaluating, and presenting (mapping and text) baseline data on the relevant environmental and social characteristics of the project's receiving environments in order to:

* Identify and locate the sensitivities and potentialities of the territories, environments and populations concerned.
* Identify natural risks and risks resulting from human activities.
* Analyze the situation in relation to international standards and conventions or quality objectives.

The elements that characterize the environment and the social characteristics of the receiving environments are indicated below.

* Analytical description of the biophysical environment including baseline mapping, the various ecosystems, plant resources, biodiversity, threatened and/or endemic species and critical, sensitive, and/or endangered habitats, the network of protected areas, the soil profile; the threats and opportunities presented by the context of the facilities on these ecosystems. This analysis will highlight sensitive resources (rare, threatened, endangered, valued, or recoverable) for a better subsequent assessment of the significance of negative impacts in particular. The data collected will be analyzed with regard to the stakes and risks associated with the project. This analysis must highlight the specific aspects related to the project.
* Analytical description of the human environment: demographic and socio-economic data, the context of the project area, analysis of the structure of local communities including their social organization and local institutions, the roles of different social and ethnic groups, economic systems, links with the regional economy, land, health problems, data and information related to digital ID; the opportunities and risks presented by the post-project context with regard to the social, cultural and economic well-being of the populations

The description of the biophysical and human environments of the projects will be based on the review and analysis of the literature available, field observations and interviews with the populations. The data collected and analyzed may be illustrated with tables, graphs, or maps.

**Identification and assessment of environmental and social impacts and measures**: The Consultant shall ensure that the ARC (Avoid, Reduce, Compensate) sequence is respected and justified. He will have to justify the impossibility of avoiding certain impacts before proposing to reduce them. Residual impacts will be subject to compensatory measures. The ESMF should cover the following issues: Labor and Working Conditions, Efficient Resource Use, Pollution Prevention and Management, Community Health and Safety, Land Acquisition, Land Use Restrictions and Involuntary Resettlement, Documentation of consultation on cultural heritage and its confidentiality, Underserved people or groups.

The Consultant shall:

* Qualify the impacts: positive / negative, direct / indirect, temporary / permanent, avoidable / unavoidable, reversible / irreversible.
* Quantify the impacts which are indicative: impacted surface area, noise contribution, discharges, etc. As far as possible, describe the impacts quantitatively in relation to the costs and advantages or disadvantages. As far as possible, attribute an economic value to them.
* Determine the impacts on the public or private institutions in the vicinity of the projects and qualitative approach (specifying the different possible impacts by ethnicity/populations including vulnerable groups / gender including the proportion of women affected).
* identify each impact likely to affect men and women differently and also because of vulnerability, for instance in their careers, so that measures can be proposed to reduce inequalities between men and women, and also in response to vulnerability or at least to avoid the creation or increase of discrimination between men and women. If differences are identified, they must be qualified and quantified. The proportion of women in each target group for each of the social impacts should be indicated.
* Specifically identify potential hazards to workers, especially those that may pose a threat to their lives. - Identify "cumulative impacts", i.e. analyze how the impacts specifically related to the project add up to the already known impacts of ongoing or planned short-term projects impacting the same area.
* Distinguish impacts by phase: effects related to the construction phase, effects related to the operation phase, and effects related to the closure and reclamation phase.

The Consultant shall ensure that these measures are compatible with each other and do not cause further adverse impacts. It will identify and assess residual impacts and, where appropriate, provide measures to compensate for significant residual impacts. At the social level, the Consultant must identify all activities and persons directly or indirectly affected by the development and operation of the works and describe the possibilities of compensation for those affected, irrespective of their status as owners or not of the areas occupied.

1. **Participatory approach:**

The environmental and social Management Framework will be carried out in a participatory and inclusive manner to ensure that the views of all stakeholders are taken into account and that they are involved in the identification and analysis of impacts and the identification of measures to improve the environmental and social quality of the sub-projects.

The Consultant shall:

* Identify and analyze all stakeholders (direct stakeholders, persons negatively affected, stakeholders opposing and supporting the project, entities responsible for implementing sub-project activities, technical and financial partners, etc.) and define the modalities for their consultation and consideration of their comments and requests.
* Organize interviews: individual interviews and focus groups with the different categories of stakeholders (men, women, vulnerable people, young people, government officials, NGOs, etc.).
* Organize feedback sessions on the conclusions of the study and document the observations made by the participants.
* Write the minutes of the public sessions to be included in the ESMF report; and
* Produce Environmental and Social Management Plan (ESMP) as part of this ESMF

**Annexes:**

Environmental and Social Screening/scoping Form

Guidance for subproject risk categorization

Sample Chance Find Procedure

Terms of Reference for ESIA

Guidance for Environmental management plan

National ESIA Procedural Guidelines for Schedule of Activities

List of Participants in Consultation

References

1. World Bank. 2018. *ID4D Findex Survey Data*. <https://id4d.worldbank.org/global-dataset> [↑](#footnote-ref-1)
2. World Bank. 2018. *ID4D Findex Survey Data*. <https://id4d.worldbank.org/global-dataset>. [↑](#footnote-ref-2)
3. Authorities in kebeles accept a range of anecdotal information to authenticate individuals applying for an ID card, including testimony from community members and elders. Beyond anecdotal information, kebeles accept official school certificates for elementary examinations and, to a lesser extent, birth, and vaccination certificates, should those be available to an applicant. [↑](#footnote-ref-3)
4. For more on the Principles, see <http://idprinciples.org> [↑](#footnote-ref-4)