



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 28-Jun-2019 | Report No: PIDC27392

**BASIC INFORMATION****A. Basic Project Data**

Country Caribbean	Project ID P171528	Parent Project ID (if any)	Project Name Caribbean Digital Transformation Program (P171528)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Mar 30, 2020	Estimated Board Date Jun 05, 2020	Practice Area (Lead) Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Information, Science, Telecommunications and Technology	

**Proposed Development Objective(s)**

To contribute to increased access to digital connectivity, digital public services and the creation of technology enabled businesses and jobs across the participating Eastern Caribbean countries

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	65.00
<b>Total Financing</b>	65.00
<b>of which IBRD/IDA</b>	65.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	65.00
IDA Credit	65.00

Environmental and Social Risk Classification

Concept Review Decision



Moderate

Track II-The review did authorize the preparation to continue

## B. Introduction and Context

### Regional Context

**Rapid digital transformation is re-shaping the global economy, permeating virtually every sector and aspect of daily life, changing the way we learn, work, trade, socialize, and access public and private services and information.** In 2016, the global digital economy was worth some USD 11.5 trillion, equivalent to 15.5 percent of the world's overall GDP. It is expected to reach 25 percent in less than a decade, quickly outpacing the growth of the overall economy. However, countries in the Eastern Caribbean are currently capturing only a fraction of this growth potential and need to strategically and proactively invest in the foundational elements of their digital economy to keep pace and thrive in a digital world.

**Eastern Caribbean countries have made significant progress towards reducing poverty and inequality.** Gross National Income (GNI) per capita ranges between USD 6,590<sup>1</sup> in Dominica to USD 9,180 in Grenada. The region demonstrates very low levels of extreme poverty, measured at USD 1.90 per day, ranging between 0 to 3% in OECS countries. The incidence of general poverty (measured at USD 5.50 per day) in OECS is moderate, but lower than many countries in Latin America and the Caribbean (LAC), and their income group in general.

**Historically, the region has successfully leveraged external demand for specialized goods and services such as agricultural products and tourism, as well as regional integration and collaboration to overcome challenges of their small internal markets and labor forces.** The openness of their economies and specialization have helped achieve rapid economic growth, but also exposes the economies to greater volatility, and increases risk due to lack of economic diversification. The Eastern Caribbean states have developed relatively strong regional institutions such as OECS, Eastern Caribbean Central Bank (ECCB), Eastern Caribbean Telecommunications Authority (ECTEL), Caribbean Community (CARICOM) etc. that have played prominent roles in the development of the region. Key sectors such as agriculture, tourism and financial services have developed in coordination across the region, to provide the necessary scale.

**However, economic growth has slowed in recent in recent years and countries in the region face shared challenges of small populations and markets, lack of economic opportunity and vulnerability to climate shocks.** The cumulative population of Organization of Eastern Caribbean States<sup>2</sup> (OECS) member states was just under 625,000 in 2016, with a cumulative GDP under USD 9 billion.<sup>3</sup> While primary school enrolment is nearly universal and secondary school access is higher than the average in LAC, there is a significant skills-job mismatch and the region suffers from significant brain-drain. This has led to capacity constraints in both the private sector and within public institutions. Unemployment remains high – ranging between 19 – 23% in Grenada, St. Lucia and St. Vincent

<sup>1</sup> Atlas method, current USD

<sup>2</sup> The OECS is an International Inter-governmental Organization, established in June 1981, when seven Eastern Caribbean countries signed the Treaty of Basseterre, agreeing to cooperate with each other and promote unity and solidarity among the Member States. The treaty was replaced with the Revised Treaty of Basseterre creating an Economic Union. The Revised Treaty establishes a single financial and economic space within which goods, people and capital move freely, monetary and fiscal policies are harmonized and countries continue to adopt a common approach to trade, health, education and the environment, as well as to the development of such critical sectors as agriculture, tourism and energy.

<sup>3</sup> World Bank Group, World Development Indicators, 2016



and the Grenadines, with youth unemployment exceeding 40%. The lack of diversification of the economy and geographic location leave the region vulnerable to changing global economic trends and business cycles and at risk of frequent natural disasters.

**The Eastern Caribbean needs a new way forward to promote economic dynamism, diversification and job creation.** Traditional mainstays such as tourism and financial services face headwinds from changing travel patterns and global competition and stricter Anti Money laundering/ Counter Financing of Terrorism (AML/CFT) related issues. Average annual tourist arrivals rose only 0.6% annually between 2005-17, compares with 4.2% globally. Competitiveness of the services sector increasingly relies on technology and digital platforms to serve the demands of the modern consumer, but too few OECS businesses are rising to this challenge and too few workers are equipped with the technology and soft skills to drive the needed transformation.

**Sustaining economic growth and development in OECS countries will require improvements in productivity and competitiveness in key sectors by adapting to the digital era.** It also will require these countries to continue building the fiscal, financial, environmental, socio-economic, and institutional resilience necessary for adapting to climate change. The rise of digital technologies and the digital economy offers a unique opportunity for the governments of OECS countries to unlock new pathways for economic growth, job creation and enhancing the delivery of public services, as well as to improve the resilience of its institutions by embracing technologies that support business continuity.

**By working together to create a more deeply integrated, dynamic and resilient regional digital economy and a digitally empowered citizenry and institutions, Eastern Caribbean countries can chart a new path.** By taking bold, decisive action, the region's governments can help build a future in which seamless and efficient public services are available at the touch of a screen from even the remotest island, where individuals are equipped with the technology and soft skills to find meaningful employment in a knowledge and services driven regional and global economy, and where businesses and entrepreneurs are pushing the frontiers of innovation, creating new jobs, and accelerating the region's economic growth.

#### Sectoral and Institutional Context

**Development of a dynamic, inclusive and safe digital economy requires a comprehensive, ecosystem approach, simultaneously building up a range of interlinked foundations:**

- **Digital Infrastructure:** ensuring that every individual, business and government has access to high speed, low cost and reliable broadband;
- **Digital Platforms:** Building the enabling public platforms and components (infrastructure, software, digital ID and institutions) critical to more efficient public services delivery and an environment supportive of private sector platforms for e-commerce, value chain integration and access to information and employment opportunities;
- **Digital Financial Services (DFS):** ensuring that every individual, business and government has the ability to carry out financial transactions digitally, including e-payments, and transaction accounts;
- **Digital Entrepreneurship and Innovation:** building an ecosystem that supports innovation, new business creation and investment – bringing the digital economy to life with new digitally enabled services, business models, content and jobs
- **Digital Skills:** ensuring that every individual is digitally literate and able to access digital services and commerce, building a sufficient pool of advanced digital talent to support growth of new 'digital' businesses



and digitization of traditional industries and equipping all workers with the skills and lifelong learning opportunities to thrive in the economy of the future.

**These foundations must be reinforced by an environment of trust, inclusion, and resilience.** This includes robust cybersecurity, data protection/data sharing and privacy protections, continuity of operations for critical infrastructure and information systems and efforts to ensure that no one is locked out of an increasingly digitized economy and society.

**In the small island state context, the role of the government and the public sector as “enablers” in stimulating and incubating a digital economy is critical, considering that the market scale is likely to disincentivize the private sector from leading on the digital economy agenda.** Governments can and should take the lead (in consultation with private sector and citizens) in shaping and defining the digital economy and provide the authorizing environment (regulatory, infrastructure, and other foundations) to facilitate digital transformation within their respective countries and across the OECS region. Such wholesale change must be guided by an institutional reform and change management vision driven by government whereby technology and digital platforms facilitate transformation and sets the stage for a joint public-private sector dialogue around digital transformation.

**Eastern Caribbean countries are lagging on all foundational elements of the digital economy, with common areas requiring improvement.** Figure 1 highlights how varying regulatory environments and market development trajectories have resulted in differing market outcomes such as broadband adoption. However, the countries are at similar level of development of cross-cutting areas like cybersecurity, and the use of digital platforms – public and private.

Figure 1: Digital economy readiness indicators for OECS Countries<sup>4</sup>

Country	Digital Infrastructure		Digital Platforms	
	Regulatory environment <sup>3</sup>	Broadband penetration <sup>4</sup>	Cybersecurity index <sup>5</sup>	e-Gov index <sup>6</sup>
Antigua and Barbuda	Red	Red	Red	Yellow
Dominica	Yellow	Red	Red	Yellow
St. Kitts and Nevis		Green	Red	Yellow
St. Lucia	Green	Yellow	Red	Red
St. Vincent and the Grenadines	Green	Yellow	Red	Red
Grenada	Yellow	Red	Red	Yellow

Source: World Bank

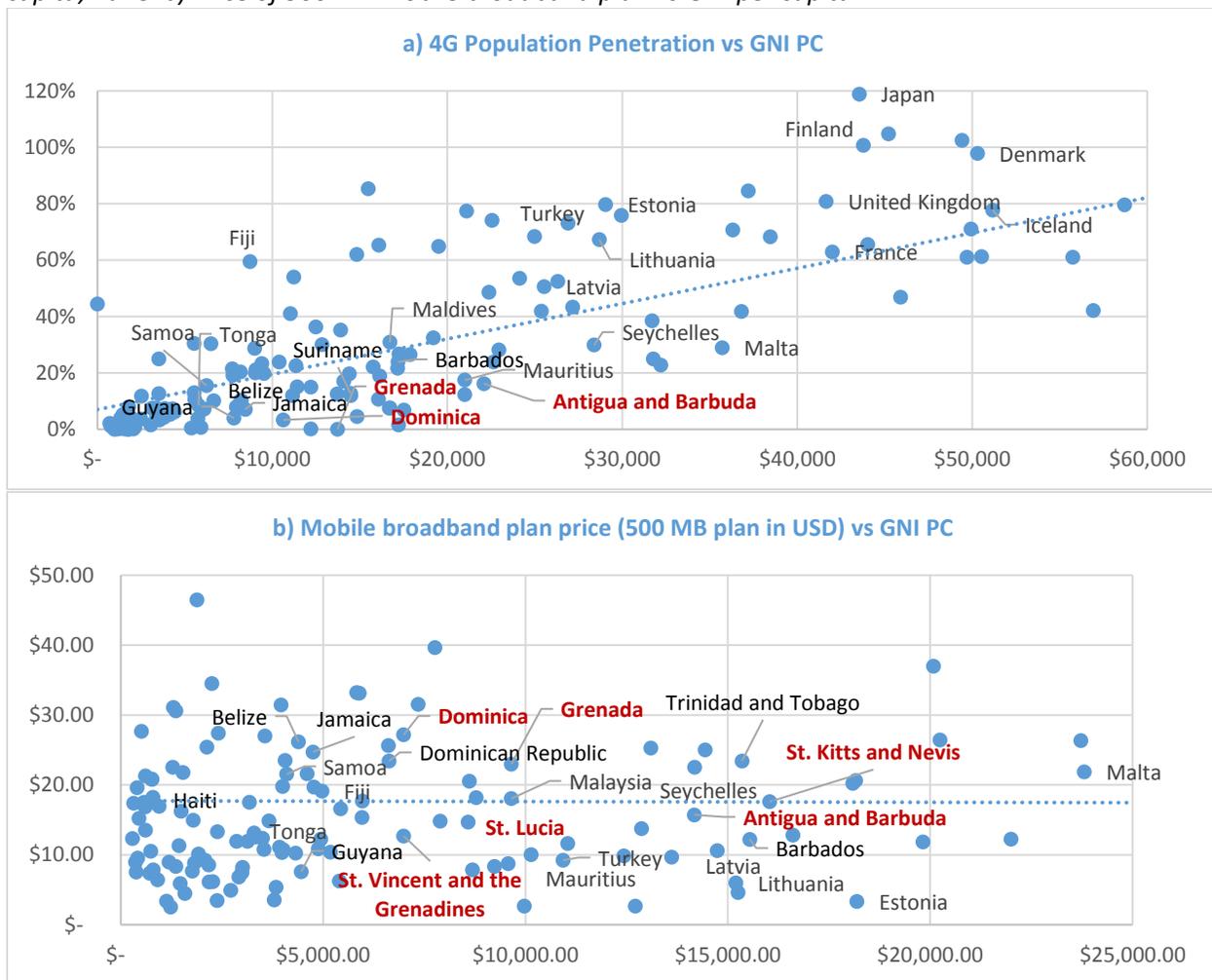
**Availability of digital infrastructure has improved in the region, but a significant digital divide remains among disadvantaged groups and remote communities – locking them out of the digital economy and therefore jobs and**

<sup>4</sup> note that reliable, comparable data is not available on DFS, digital skills or digital entrepreneurship for most OECS countries



**prosperity.** Compared to income peers, OECs countries perform well in terms of fixed broadband services adoption by households. However, users of these services tend to be richer and concentrated in urban areas, with far lower rates of access in rural areas or remote islands. As seen in panel a of the below figure, 4G population penetration, the predominant form of access for individuals at the bottom of the pyramid, lags income peers significantly. This is part stems from challenges of affordability, as the price a basic mobile data package as a percentage of GNI per capita is relatively high (see panel b). Lack of scale to spread infrastructure costs across many customers and limited competition in the market disincentivizes price reduction, and expansion of networks in areas with lower economic viability, which tend be rural or remote places. Further, the region has yet to take full advantage of opportunities for deeper integration of telecoms markets to create the scale needed to achieve greater efficiency in infrastructure deployments and to attract and sustain new market entrants.

Figure 2: Adoption and affordability of broadband services - Panel a) 4G LTE population penetration vs GNI per capita; Panel b) Price of 500 MB mobile broadband plan vs GNI per capita<sup>5</sup>



Source: TeleGeography GlobalComms Data, 2018

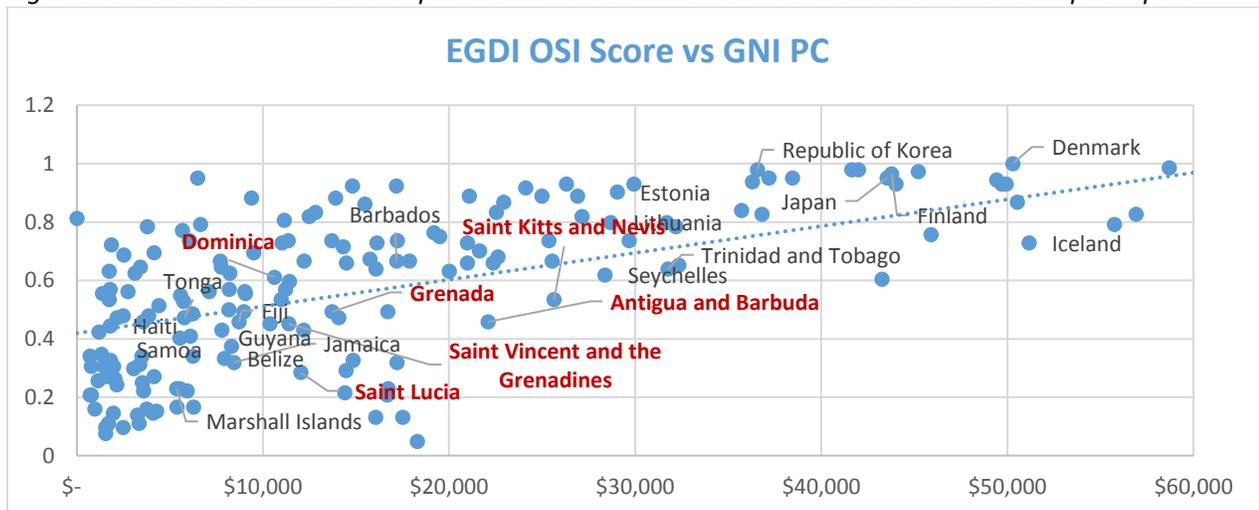
Note: Scales of the above charts have been limited to make the charts more readable, resulting in exclusion of certain high income and high fixed and mobile penetration economies.

<sup>5</sup> 4G population penetration greater than 100% is largely due to multiple mobile connection ownership by individuals.



**Despite improving broadband access, Eastern Caribbean countries demonstrate a limited level of development of digital government platforms and services, in part the result of weak digital leadership and institutional capacity.** Digitizing public services can significantly improve service delivery, particularly in the Eastern Caribbean context with populations living on small islands and atolls, distant from physical service locations, as well as improve efficiency and reduce costs of public administration. The Online Services sub-Index (OSI) of the UN E-Government Development Index (UN E-GDI) ranks the level of development of digital government services and Government portals. OECS countries perform relatively poorly for their income group, with rankings ranging between 93 for Dominica and 148 for St. Lucia out of 193 countries globally – see figure 3. Countries in the region suffer from weak capacity and financing of agencies responsible for digital transformation, lack of scale to justify the high costs of investment in new systems and human talent, weak bargaining power with vendors, and lack of regional collaboration to set common standards and pool scarce resources. There is also a lack of investment in cross-cutting platforms and registries such as digital ID, geospatial platforms and land registries that can form a foundation upon which to layer new applications, services and analytics.

Figure 3: UN E-Government Development Indicator Online Services sub-Index score vs GNI per capita



Source: UN E-Government Development Index, 2018

**Development of the region’s digital economy is held back by low adoption of enabling private sector digital platforms – particularly financial services.** Digital platforms can enable economic transactions, social connection and exchange of information and services. Digital payment platforms are critical for online economic activities such as e-commerce and services that require real time payment. The share of adults making or receiving digital payments in the Caribbean is below the LAC average and many countries still rely heavily on cash-based transactions,<sup>6</sup> representing a significant barrier to development of the digital economy. The ability to make digital payments across borders is also important for the tourism sector, participation of individuals in the gig economy and facilitating remittances between the large diaspora residing in OECS countries (55% of population).

**Cross-cutting enablers of the digital economy such as cybersecurity, data use, open data, and privacy are lagging in the region, and presents an opportunity for increased standardization, harmonization and collaboration between countries.** Eastern Caribbean countries lack comprehensive polices, legislation, standards and capacity in these areas. This limits citizens’ trust that their personal information is safe when transacting online and the ability

<sup>6</sup> About 80.0 percent of all payments in the ECCU use cash or cheques (Source: ECCB)

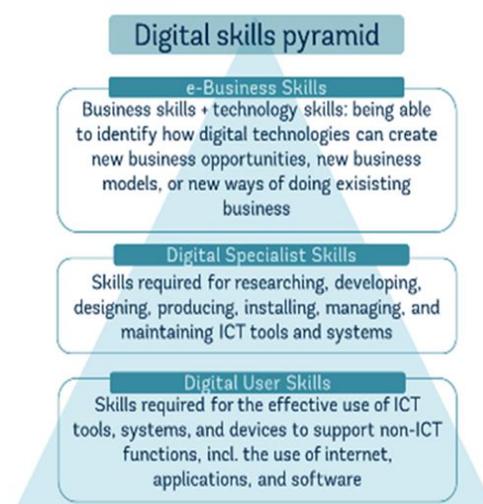


of governments and private sector to protect critical, digitally reliant infrastructure and information systems. Additionally, a lack of regional standards for these areas hinders domestic and cross border digital service delivery and limits the potential to achieve the scale needed to attract private investment and to incentivize innovation and local content development within the region.

**Digitization of key industries such as finance, tourism and agriculture represent a huge opportunity to improve productivity and local value capture.** Finance, tourism and agriculture are among the most digitized sectors globally, but in the Caribbean these industries have been slow to evolve. As a traditional financial services hub, the region has the opportunity to leverage this leadership position to transform itself into a hub for digital finance and ensure viability and vibrancy of the industry for years to come. The tourism sector can also benefit from an economy-wide digital transformation, and serve the needs and tastes of modern-day tourists, and potentially unlock new demographic segments of the market.

**High educational outcomes in the region have not translated into development of the skills needed in the digital era.** Traditional education institutions and curriculum are not providing the skillsets demanded by industry. Data from the OECD shows that on average, 55% of workers lack basic problem-solving skills in technology-rich environments, suggesting weak prospects for capitalizing on the opportunities offered by the digital economy. Digital skills are needed across the spectrum, from basic digital literacy to ensure that everyone can participate in the digital economy to more advanced technical specialists needed to drive digitization of industry and e-business skills to leverage digital technologies to create new business models and enterprises. Regional collaboration is needed to share the high costs of investment in specialized digital skills and to create a seamless pool of digital talent at the scale necessary to attract investment to the region.

Figure 4



**The Caribbean entrepreneurship ecosystem has pockets of talented digital entrepreneurs who are able and would like to test new digital solutions in new and existing industries.** Drawing on lessons learned from a recent Caribbean Mobile Innovation Project<sup>7</sup> (P132570), a fragmented demand-side market, the lack of scale and internationalization limits the viability of mobile (and digital) enterprises. To break out of a low growth cycle, taking advantage of the unique geographic advantages of OECS territories for entrepreneurship and global technology talent attraction and retention, this region can consider becoming a testing zone for cultivating new tech solutions in niche areas, that include but also go beyond some initial regional competitive advantages in tourism and finance.

**The resilience of Eastern Caribbean economies can be further strengthened by a well-functioning digital economy that facilitates resilience, post disaster recovery, and continuity of operations.** The Eastern Caribbean countries face significant climate risks, both acute and gradual. Digital connectivity and applications not only help in early warning and monitoring of climatic events, but also in securing critical data, transactions, and assets in digital form that would otherwise be at physical risk. In the aftermath of climatic events, restoring communications networks is a priority to emergency services. As the 2017 hurricane season demonstrated, the loss of property and infrastructure can be near total, and Eastern Caribbean countries need to have the ability to restore communications quickly after

<sup>7</sup> This project provided a \$1.5 million grant to University of West Indies to strengthen the Caribbean mobile innovation ecosystem, and to enable sustainable and competitive mobile enterprises to grow.



natural disasters. In addition to supporting emergency services and allowing individuals to locate family and friends, connectivity services are critical to ensuring recovery of critical infrastructure and Government operations.

#### Relationship to CPF

The proposed project is aligned with the OECS Systematic Regional Diagnostic (SRD), published in June 2018. The SRD identifies building on the region's comparative advantage while overcoming its small size and vulnerabilities as the key theme for reducing poverty and increasing shared prosperity. Specifically, it aligns with the following priority areas, as highlighted in the SRD:

- **Priority #1 – Build resilience to external shocks from a 360-degree perspective:** The project supports development of the foundational elements of the region's digital economy, supporting the economic diversification and building greater resilience of the economy. The project will also support physical resilience of connectivity networks to minimize impact and increase speed of recovery in the aftermath of climate events.
- **Priority #2 – Strengthen and harness human capital:** The project aims to build digital skills and support digitalization of leading industries such as tourism and finance. This entails support to world-class professional training and incubation programs, as well as deepen academia – industry partnership to enable youth with employment-ready skills and competencies.
- **Priority #3 – Embrace new technologies:** The support to digitalize leading industries will enable the private sector to leverage the latest technologies and digital applications in their business models. Furthermore, the project's support to the build digital skills, digital entrepreneurship, and digital public services can seed a thriving regional technology and digital services industry.
- **Priority #4 –Regional integration and connectivity:** The project adopts a regional approach to strengthening the foundations of a digital economy. Regional counterparts such as ECCB and ECTEL will play a central role in the implementation of the project, further deepening regional integration efforts. The project will also support the adoption of regionally harmonized modernized enabling environment for cross-cutting areas such as cybersecurity, data protection, privacy, and open data. Digital applications supported by the project will be developed with replicability across the region as a core objective

#### C. Proposed Development Objective(s)

To support deeper integration of the regional digital economy and contribute to increased access to digital connectivity, digital public services and the creation of technology enabled businesses and jobs across the participating countries

#### D. Concept Description

**The proposed project will support development of the core foundations of the region's digital economy.** The project will aim to bring together all arms of government and multiple economic and social sectors using an ecosystem approach. Likewise, it will aim to foster regional integration and cooperation to capture the economies of scale and scope required to increase impact, value for money and to create a more competitive presence for the region in the global digital economy.

**The project is designed to address key regional priorities identified with representatives of governments from the region during the Caribbean Digital Transformation Program Workshop (conducted in May 2019 in Washington, DC).** The project builds on the progress made by the Caribbean Regional Communications Infrastructure Program



(CARCIP) and other public sector programs and is designed to allow for flexibility to tailor specific activities in each participating country under a coordinated and integrated regional framework and in line with regionally agreed objectives. Coordinated country level activities will be complemented by regional enabling environment harmonization and market integration efforts led through key regional institutions – ECCB, OECS and ECTEL.

## 1. Description

### **Component 1: Digital Connectivity**

**This component aims to support universal access to affordable and safe and resilient broadband internet services to individuals, businesses and public institutions in participant countries.** It will aim to close the digital divides along lines of geography, income, age and gender, ensuring that all are given the opportunity to participate in the digital economy and access digital services. It will also create a larger market of online consumers and digital producers needed to attract investment and to promote development of digital infrastructure, and regionally relevant content and services. The needs of individual islands will vary and will be assessed during the identification missions.

Specific activities in this component could include the following:

- Development of a regional legal, regulatory and policy regime that promotes competition and investment, reduces the costs and burdens of digital infrastructure deployment and improves affordability of broadband services in participant countries
- Regional cooperation to build shared cybersecurity defense and response capabilities among governments and private sector in the region, potentially using a regional centers of excellence model
- Bulk purchase of bandwidth/connectivity services for public institutions such as schools, health centers, community access points and Government agency offices to meet the recurring needs of the institutions while also creating incentives for further private sector network investment and upgrades and unit cost reductions for services due to volume/negotiating power
- Technical assistance and financial support for expansion of broadband networks and services to remote locations where the private sector is unlikely to invest on its own in the near future (support for universal service funds, PPPs, reverse subsidy auctions for mobile services deployment, etc.)
- Investment and technical assistance support to increase climate resilience of existing digital infrastructure, and to provide shared post-disaster recovery resources/solutions for the region (for example connectivity via satellite, drones, balloons, etc.)

### **Component 2: Digital Platforms and Services**

**This component will support the development of specific digital platforms and applications for financial and public service delivery, and regional collaboration and harmonization in cross-cutting areas such as data protection and privacy and open data across the Eastern Caribbean.** This component will follow an approach that either allows participant countries to specialize and lead in development of specific applications or services utilizing an open-source and cloud-based development model that can then be shared with the other participating countries, or to carry out pooled procurement processes to leverage economies of scale and subsequent cost savings when procuring relevant infrastructure, software and services. Where available, it will aim to re-use open-source digital platforms and tools already developed in other regions and available on the market. Regional institutions such as ECCB, OECS secretariat, and ECTEL will coordinate efforts to support development of regional frameworks, policies, and standards that can then be adopted and implemented at national level.

Specific activities could include:

- Development and adoption of modern, regionally harmonized legal, policy, and regulatory regimes for data protection, use, and privacy. This would include clear protocols for cross-border data exchange, processing and



storage to enable integration into the global digital economy and strengthen the regional market for cloud-based services.

- Development of a regional digital transformation strategy for the region's governments and establishment of a shared 'model' enterprise architecture, adoption of unified IT standards, etc. critical for interoperability of platforms and information systems across national governments and between neighboring countries.
- Development of regionally relevant cross-cutting digital platforms and solutions such as geospatial systems, cadastral services/land administration<sup>8</sup>, digital ID, etc.
- Support for migration of critical government registries, applications and services to the cloud with regional and global cooperation for data backup and business continuity in case of natural disaster
- Development of a regional open data program with the aim to create and make available regionally harmonized datasets in machine readable format for commercial and government re-use, building on established experience with such programs in the region
- Investment and technical assistance to strengthen the compliance to international standards on AML/CFT, including development of Fintech solutions

### **Component 3: Digital Skills and Entrepreneurship**

**This component aims to address the skills-jobs gap in the region and to create a critical mass of digitally skilled workers and entrepreneurs to attract digital investment and drive digital innovation, business and job creation.** It will be particularly targeted at youth and disadvantaged populations, through development of professional certifications and employment-ready skills programs. Furthermore, the component can also support digitalization of existing industries and support Micro, Small and Medium Scale Enterprises to boost productivity through digital technology and platform adoption.

Specific activities in this component could include:

- Public-Private Partnerships (PPP) or other incentives to attract world-class digital training, incubation and accelerator institutions to establish within the region.
- Academia-Industry partnerships to improve formal education programs through rapid adoption/evolution of curriculum to meet industry needs, sourcing of teachers and mentors from private sector.
- Awareness and training programs for employment in the global "gig" economy/ technology enabled jobs, and rapid technical skills training programs to support employment in these jobs.
- Support for digitalization of growth industries (e.g. tourism and finance), as well as new potential sectors in niche areas such as the "blue economy" (e.g. bio-tech solutions on ocean plastic waste), with programs to attract global tech talent to work remotely from the Caribbean and link with local institutions and individuals to ensure spillover of knowledge, ideas and capital.

### **Component 4: Project Management**

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<sup>8</sup> Modernization of land registry and cadastral services will include the following: (i) Development of an integrated regional (ECCU) land administration framework to create and/or harmonize policies, regulations, and technical standards that ensure interoperability of systems and in the context of an Integrated Geospatial Information Framework (IGIF); (ii) setting up a regional (ECCU) interinstitutional land administration coordinating body; (iii) Design and development of a common ICT platform for the ECCU countries; and, (iv) carrying out initial investments in selected Member States.



This component will support the country level Project Implementation Units (PIUs) with management and implementation of the project and associated activities. The project can support capacity building initiatives, as well as PIU staffing through hiring of expert consultants for key areas such as project management, technical expertise, procurement, financial management, environment and social protection etc., to enable project implementation. Additionally, the component will support knowledge exchange visits with internationally leading institutions and public agencies. Such support may also be considered to boost the capacity of participating regional institutions to carry out their increased mandates under the project.

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No



### Summary of Screening of Environmental and Social Risks and Impacts

The project is expected to have moderate environmental risks and impacts as most activities are related to small-scale works for the deployment of fiber optic and for the rehabilitation of existing infrastructure located in both urban and rural areas across Dominica, Grenada, Saint Lucia, and Saint Vincent and the Grenadines. The exact locations of the infrastructure work and the type of civil works are unknown at this stage. Civil works are not expected to involve land acquisition or restrictions on land use or have negative impacts on tangible or intangible cultural heritage, any critical or sensitive natural habitats, biodiversity areas, or living natural resources. Potential environmental and social impacts of construction are anticipated to be site-specific, manageable and temporary.

The Social risk of the project is expected to be moderate because the project will be implemented in a context where social exclusion patterns exist, and where processes of community consultation and grassroots participation seems to be weak as well as the capacity for the management of the World Bank's Environmental and Social Framework. Inequitable distribution of project benefits is a risk, whose effect would produce a disproportionate impact on the most vulnerable and disadvantage: The poor, women, young girls, youth at risks, disables, the Kalinago indigenous territory of Dominica, among others. Project's activities may also require physical or economic displacement (in a small number of cases, if any) that would lead to loss of income sources or other means of livelihood or both.

The Borrower will prepare, consult, and disclose a project-level generic Environmental and Social Management Framework (ESMF) in line with the Bank's Environmental and Social Standards and the World Bank Group Environment, Health and Safety (EHS) Guidelines. The ESMF will provide guidance on environmental and social screening and classification of subprojects and procedures for the development of subproject-level environmental and social instruments to be prepared as needed, such as Environmental and Social Assessments (ESAs), and/or Environmental and Social Management Plans (ESMPs). Appropriate mitigation measures will also be developed as part of the ESMF for pollution that may be generated by construction, which may include: vegetation and soil loss, waste management, air emissions and noise, and e-waste. Energy efficiency measures will also be included as needed.

The Borrower will prepare and disclose Labor Management Procedures (LMP) before appraisal to identify the different types of project workers that are likely to be involved in the project and set out the way in which they will be managed, in accordance with the requirements of national law and ESS2. To ensure health and safety of workers during the construction phase of the project, the LMP will include a Health and Safety Plan in line with the World Bank Group Environment, Health and Safety Guidelines for construction activities. A labor specific Grievance Redress Mechanism (GRM) will be prepared by the Borrower. In addition, the Borrower will prepare and disclose Stakeholder Engagement Plan mapping stakeholders, describing the timing and methods of engagement with them throughout the life-cycle of the project, and describing the project's GRM.

The Environmental and Social Commitment Plan which will be prepared and disclosed by the Borrower will include the necessary measures that the project needs to address during preparation and implementation to ensure compliance with the ESSs and the project's social and environmental instruments.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.



**CONTACT POINT**

**World Bank**

Casey Torgusson  
Senior Digital Development Specialist

**Borrower/Client/Recipient**

Ministry of Finance

**Implementing Agencies**

Ministry of Information, Science, Telecommunications and Technology  
TBD TBD  
TBD  
finsecfinance@dominica.gov.dm

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Casey Torgusson
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**Approved By**

Practice Manager/Manager:		
Country Director:		