

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC6068

Date ISDS Prepared/Updated: 20-Feb-2014

Date ISDS Approved/Disclosed: 13-Mar-2014

I. BASIC INFORMATION

A. Basic Project Data

Country:	Djibouti	Project ID:	P146219
Project Name:	Djibouti - Telecom Sector Opening (P146219)		
Task Team Leader:	Marc Jean Yves Lixi		
Estimated Appraisal Date:	19-Sep-2014	Estimated Board Date:	16-Dec-2014
Managing Unit:	TWICT	Lending Instrument:	Investment Project Financing
Sector(s):	Information technology (20%), Telecommunications (80%)		
Theme(s):	Regulation and competition policy (100%)		
Financing (In USD Million)			
Total Project Cost:	2.00	Total Bank Financing:	2.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			2.00
Total			2.00
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

B. Project Objectives

The PDO is to create an enabling environment in the telecom and ICT sector by: (i) strengthening the policy, legal and regulatory framework of the telecom and ICT sector; (ii) restructuring Djibouti Télécom, through the opening of its capital to a world class private operator; and (iii) opening the sector to competition, through the award of a new license to an international telecom operator.

C. Project Description

This project takes place in a context where the government of Djibouti is seeking the World Bank

technical and financial assistance to i) create an enabling environment in the telecom and ICT sector and ii) develop IT-enabled services (BPOs, call centers) and infrastructure development projects so as to increase the contribution of the telecom sector to employment and economic growth, thus consolidating Djibouti's position as an ICT hub in the Horn of Africa.

In order to address government's demand for assistance, the World Bank proposed to sequence its intervention in two phases. The first phase consists in the proposed project and aims at improving the governance of the telecom sector, through the creation of an enabling environment. The second phase, tied to the results obtained in the first one, will aim at funding: i) pilot projects for developing IT-enabled/BPO services, such as call centers; and ii) infrastructure projects at both national and regional level, such as fiber optic backbone deployment projects.

The rationale for this phased-approach is to ensure that the governance of Djibouti's telecom sector is aligned with international best practices in terms of legal, regulatory and competitive environment, before investing in new IT-enabled services and additional infrastructure.

The proposed project refers to the first phase of the World bank intervention described above. The design of the proposed project falls under the overall strategy agreed on with the government of Djibouti.

1. Description

The proposed project has four components that are described below:

Component 1: Setting-up of an enabling environment (\$US 0.5 million). This component will finance the improvement of the legal and regulatory framework and the set-up of an autonomous regulatory entity.

Component 2: Strategic repositioning and restructuring of Djibouti Télécom (\$US 0.7 million). This component will fund the strategic repositioning of Djibouti Télécom to transform it into a world-class operator (opening of Djibouti Télécom's capital to a private investor). More specifically, this component will fund the transaction advisor that will assist the government during the transaction.

Component 3: Telecom sector opening and feasibility studies for infrastructure development (\$US 0.5 million). This component comprises two activities: (i) the award of a second license to introduce competition and foster dynamism in the telecom sector in Djibouti; and (ii) financing of technical studies for the construction and management of the telecom infrastructure, through a PPP arrangement.

Component 4: Project Management (\$US 0.3 million). This component will finance the establishment of the project implementation unit within the Ministry of Telecom, the implementing agency.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

E. Borrowers Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

Helena Munir Freih Al-Naber (MNSEE)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/ BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Apr-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:**

Not applicable

IV. APPROVALS

Task Team Leader:	Name: Marc Jean Yves Lixi	
Approved By:		
Regional Safeguards Coordinator:	Name: Maged Mahmoud Hamed (RSA)	Date: 05-Mar-2014
Sector Manager:	Name: Randeep Sudan (SM)	Date: 13-Mar-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.