

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC5106

**Date ISDS Prepared/Updated:** 21-Apr-2014

**Date ISDS Approved/Disclosed:** 06-May-2014

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Africa	<b>Project ID:</b>	P132821
<b>Project Name:</b>	Central Africa Backbone SOP5 (P132821)		
<b>Task Team Leader:</b>	Jerome Bezzina		
<b>Estimated Appraisal Date:</b>	30-Apr-2014	<b>Estimated Board Date:</b>	15-Jul-2014
<b>Managing Unit:</b>	TWICT	<b>Lending Instrument:</b>	Adaptable Program Loan
<b>Sector(s):</b>	General information and communications sector (20%), Information technology (30%), Telecommunications (50%)		
<b>Theme(s):</b>	Infrastructure services for private sector development (40%), Regulation and competition policy (40%), State-owned enterprise restructuring and privatization (20%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	138.00	<b>Total Bank Financing:</b>	91.50
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			91.50
Foreign Private Commercial Sources (identified)			46.50
Total			138.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The development objective of the proposed project is consistent with the PDO for the CAB Program: to contribute to increase geographical reach and usage of regional broadband infrastructure and to reduce the price of services to enable more people in the DRC to access ICT services.

## C. Project Description

The proposed project would become the fifth phase of the Central African Backbone (CAB) Series of Projects (SOP) Program. The Bank has been actively supporting the connectivity agenda in Africa under regional projects such as the Regional Communications Infrastructure Program (RCIP) in Eastern and Southern Africa (started in 2007), the West Africa Regional Communications Infrastructure Program (WARCIP) (started in 2010), and the CAB program (started in 2009). These programs have addressed connectivity challenges, such as increasing access to submarine connectivity, managing cross-border links to promote seamless and redundant regional connectivity, and expanding national networks to deliver broadband Internet to first and second tier urban centers.

The proposed CAB5 project builds on the overall regional program, and would have potential benefits within the DRC and across the borders it shares with nine other countries. The World Bank report, “Reviving the Great Lakes: A World Bank Group Regional Initiative for Peace, Stability and Economic Development ,” which was submitted to the Board of Directors in June 2013 and which lays out a strategy for regional development looking at linkages between peace security and long term development in the great lakes region, mentions the CAB Program and the proposed CAB5 project as examples of the World Bank Group’s regional approach to development : “The CAB5 project brings the prospect of linking the east of the DRC to Kinshasa and to east African countries and the world. All countries in the region have an interest in exploiting ICT for development and for pursuing regional connectivity and regional ICT solutions.” The strategy was developed in support of the February 24, 2013 Peace, Security and Cooperation framework for the DRC and the region.

More specifically, the second pillar of the Great Lakes’ Regional Development Initiative, which is centered on Economic Cooperation and Regional Integration, stresses that all countries in the Great Lakes region have a common interest in developing infrastructure to increase regional connectivity. It also mentions that the proposed CAB5 Project would not only establish communications links connecting the east of the DRC to Kinshasa, but also increase DRC’s connectivity to the region and globally, allowing for opportunities in trade and improve coordination of security efforts. The second pillar further promotes the “important opportunities for close coordination of the CAB5 project and the RCIP project which is being implemented in Burundi, Rwanda and Uganda and other countries in east Africa”.

IDA financing would be an important catalyst for continued and efficient infrastructure development in the DRC and surrounding countries. DRC’s telecommunications networks are severely fragmented, with many operators having a presence in just a portion of the country. Without any coordination national connectivity will likely be hindered which would in turn diminish the role that DRC could potentially have in furthering connectivity in the region. The role of IDA financing would therefore be two-fold: (i) a World Bank project would support the establishment of a nationwide —as opposed to fragmented— connectivity network that would lead to greater provision of broadband Internet; and (ii) IDA financing would not only fill the funding gap that is required to fully leverage the various connectivity investments within the country, across borders, and to the submarine cables, but also would provide assurance to private companies to overcome their reluctance to invest in the sector because of the security situation in the region.

Countries participating in the regional connectivity programs are required to endorse a set of key principles –. The key principles include, committing to an Open Access Policy and promoting Public Private Partnerships (PPP). An Open Access Policy would ensure that rules are put in place so that all market players have fair access to the necessary infrastructure including backbone infrastructure which tends towards a natural monopoly due to its high upfront investment requirement.

Furthermore, in order to avoid a natural monopoly, a PPP vehicle could ensure communal ownership and/or management of the high-investment backbone infrastructure, facilitating continued national and regional infrastructure development, especially in countries where individual operators have limited investment capacity and opportunities.

Network deployment under the proposed project would be conducted through a PPP (to be established) and defined Open Access arrangements between the relevant operators. The project would use a cooperative PPP model (i.e. infrastructure sharing consortium) between operators in the DRC to share costs through a common vehicle. The settlement of a cooperative PPP structure in the DRC has been extensively discussed since September 2012 with the industry stakeholders under a Bank-supported technical assistance project, DRC ICT Regulatory Advisory Services (P132812). This intense policy dialogue led to the finalization of a MoU between GoDRC (COPIREP and MINPTT) and the private operators in the country. All participating that would develop, operate and commercialize on a wholesale basis the network it builds. In light of these developments, a Project Preparation Advance (PPA) has been requested to help establish the PPP as a legal entity prior to Board approval of the CAB5 project.

**Project Components.** Four components have been identified: Component 1 – Enabling environment at the regional and national levels; Component 2 – Connectivity and purchase of bandwidth; Component 3 – Promotion of ICT sector and digitalization; Component 4 – Project management and monitoring & evaluation.

Bank funds would be provided through Investment Project Financing, Series of Projects (SOP) . The Project would be executed over a five-year period with total financing of around US\$138 million, including US\$46.5 million contribution from the private operators.

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

The proposed CAB5 Project would aim to contribute to the deployment of about 3,700 km of the 7,000 km target fiber optic network to be built in a modular way. The proposed network design would connect the three key economic clusters, Kinshasa, Lubumbashi, Goma, including appropriate cross border connections. These three key economic clusters will then be connected together utilizing existing links from Mbuji-Mayi to form a comprehensive national broadband infrastructure. The proposed project would finance \$103 million in infrastructure (of which \$46.5 million would come from private stakeholders).

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The Government of the DRC has experience with the Bank's Safeguard Policies due to Bank-funded projects across different sectors. In addition, the country also has a national agency, the GEEC (Groupe d'études environnementales du Congo), in charge of technical approval of the environmental and social safeguard instruments for all projects and activities which must be implemented in the country. This agency is also familiar with the safeguard instruments such as the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF).

Nevertheless capacity levels of the ministry in charge of telecommunication and of the GEEC remain low and need continued strengthening to address properly safeguard issues during the project's implementation.

## F. Environmental and Social Safeguards Specialists on the Team

Paula F. Lytle (AFTCS)

Abdoulaye Gadiere (AFTN1)

## II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The project under component 2 foresees three interregional links to neighboring countries including fiber optic cables, terminal equipment and switches. Furthermore, the construction of the e-waste center and the network is also foreseen under component 3. All these activities are expected to have potential adverse impacts even if on limited scale. Although the components and activities of the project are relatively well known the exact areas where the activities will be implemented has not yet been determined. An Environmental and Social Management Framework (ESMF) is being prepared, and will be reviewed, consulted upon and disclosed within the DRC and at the InfoShop prior the appraisal.
Natural Habitats OP/BP 4.04	Yes	The project is not expected to be implemented in natural habitats. But as the Democratic Republic of Congo is known as being a forested country the probability to meet natural habitats is not negligible. So, this policy is triggered in order to pay attention to these particular ecosystems during the implementation of the project. However, no specific safeguard instrument is required. The ESMF which will be prepared in accordance with OP/PB4.01 will take into consideration this issue.
Forests OP/BP 4.36	No	The project is not expected to have significant adverse impacts on the forest resources due to the weak space influence of the fiber optic cables and other equipment
Pest Management OP 4.09	No	The project does not require pest management.
Physical Cultural Resources OP/ BP 4.11	TBD	This policy may be triggered because of the length of the fiber optic cables which will cross many provinces in DRC. The ESMF may include measures to address these issues; or, a Physical Cultural Resources Management Framework may be prepared to ensure that this issue has been taken into consideration. If it is

		prepared, this instrument will be reviewed, consulted upon and disclosed within the country and at the InfoShop.
Indigenous Peoples OP/BP 4.10	TBD	The project will determine if Indigenous Peoples may be in the project area. If so, an Indigenous Peoples Planning Framework will be prepared, consulted upon and disclosed before appraisal.
Involuntary Resettlement OP/BP 4.12	Yes	The routing of the fiber optic network and interregional links has not yet been determined at this time, though it is likely to follow existing road infrastructure. Construction activities could therefore require land acquisition or could affect roadside vendors with temporary disruption of livelihood activities. A Resettlement Policy Framework will be prepared, consulted upon and disclosed before appraisal.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 01-May-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

An Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF) and possibly a Physical Cultural Resources Management Framework (CRMF) and Indigenous Peoples Planning Framework will be prepared. These safeguard documents will be, consulted and disclosed by the Government of the Democratic Republic of Congo in the country, and by the World Bank's InfoShop prior to appraisal of the Project.

### IV. APPROVALS

Task Team Leader:	Name: Jerome Bezzina	
<b>Approved By:</b>		
Regional Safeguards Coordinator:	Name: Alexandra C. Bezeredi (RSA)	Date: 21-Apr-2014
Sector Manager:	Name: Randeep Sudan (SM)	Date: 06-May-2014

<sup>1</sup> 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.