

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA8472

Date ISDS Prepared/Updated: 11-Jun-2014

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Africa	Project ID:	P132821
Project Name:	Central African Backbone SOP5 (P132821)		
Task Team Leader:	Jerome Bezzina		
Estimated Appraisal Date:	09-May-2014	Estimated Board Date:	15-Jul-2014
Managing Unit:	TWICT	Lending Instrument:	Investment Project Financing
Sector(s):	General information and communications sector (20%), Information technology (30%), Telecommunications (50%)		
Theme(s):	Infrastructure services for private sector development (40%), Regulation and competition policy (40%), State-owned enterprise restructuring and privatization (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	92.10	Total Bank Financing:	92.10
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			92.10
Total			92.10
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The development objective of the proposed project is to contribute to increase the geographical reach and usage of regional broadband infrastructure and to reduce the price of services so that more people in the DRC can access information and communication technology (ICT) services.

3. Project Description

Overall project description. The proposed project will support the deployment of missing links in the national fiber optic network in order to connect the country's most populated disparate economic clusters of Kinshasa (West), Goma (East) and Lubumbashi (South). By linking the three economic clusters, this new network will provide telecommunications operators the opportunity to offer seamless services nationwide. The project will also support the commercialization of the new capacity through a Public-Private Partnership (PPP). By extending the network nationwide and establishing the PPP, the project will facilitate competition between the operators at the national level. Increase in competition and economies of scale is expected to lead to reduction in the price of service, increase in the quality of service (i.e. Internet bandwidth capacity) and the availability of value-added ICT services (e.g. mobile banking). Furthermore, the new network would connect to the submarine cable landing in Muanda providing the DRC with international connectivity to and from Europe and South Africa. The project would also provide Technical Assistance to strengthening the MPTN&NTIC and ARPTC that would subsequently improve the governance of the sector.

Project Preparation Advance. A Project Preparation Advance (PPA) of USD 4 million was approved December 9, 2013 to support (i) the establishment of the SPN of the recruitment of the Investment Bank to finalize the PPP arrangements ; (ii) the identification of network investments to be funded by the proposed project; (iii) the Ministry of Portfolio as the Implementation Agency through its existing project management unit, the Comité de Pilotage de la Réforme des Entreprises Publiques (Steering Committee in charge the Reform of the Public Companies, COPIREP); and (iv) the preparation of appropriate safeguards instruments: Environmental and Social Management Framework (ESMF), Indigenous People Planning Framework (IPPF) and Resettlement Policy Framework (RPF). As requested by the Government the PPA will also fund the study developing the Government's roadmap pertaining to the SCPT restructuring.

Infrastructure cost and financing. The construction cost of the proposed network is estimated at US \$84.540 million. Project funds will be used to finance the construction of the passive infrastructure (civil works and dark fiber equipment). It is expected that the private operators will provide private investment to the cost of the network to cover active equipment. Earlier discussions with private operators showed strong interest from these operators to partly fund this project. Their overall contribution will be comprised between \$22.5 (active equipment) and \$50 (active equipment and maintenance). For clarity throughout the document, all amounts and project construction costs are based on a contribution of US\$ 22.5 million.

The project will be implemented through Public Private Partnerships (PPP). There are two main reasons why the project should rely on PPPs. First, neither the government of DRC nor private operators have the financial capacity on their own to support the high upfront investment required to build a nationwide network. Second, (i) in the case of an aggregation of market players to operate the network it would reduce transaction costs for both the government and the private operators and increase coordination capabilities for maintaining the network and determining wholesale prices in a transparent manner (ii) in the case of an open competition bidding in each fiber it will maximize the revenues for the Government.

A two-step approach for PPPs. As a prerequisite, a Société de Patrimoine National (SPN – wholly public shareholding company) will be established that will own the infrastructure. It is proposed to separate the tender process for (i) the passive infrastructure (i.e. fiber cables and ducts) and partial active infrastructure (buildings, transmission technology neutral equipment that can be shared among

operators) from (ii) the rest of the active infrastructure and network intelligence that usually needs to be operator-specific. In the first step the SPN will select a construction company under an ICB to build the infrastructure and conduct civil work and lay down dark fiber on the ground. Once built the infrastructure will be incorporated as equity into the capital of the SPN. In the second step the SPN will contract an aggregation of operators or several operators separately (the “Concessionaire”) to “light” the dark fiber (i.e. to invest in access network and active equipment) and a concession contract would be prepared and concluded between the SPN and these operators for the maintenance, management and commercialization of the infrastructure.

Advantages of the two-step approach. There are several advantages to this two-step approach. First, by having one provider build out the passive infrastructure, network integrity can be ensured, and regulatory supervision costs would be reduced. Further, by focusing the first tender on the deployment of mainly the passive infrastructure, procurement under the project is simplified (under ICB) and would ensure fast disbursement. The second important advantage is that technology neutrality is ensured by allowing Concessionaire(s) to bring in their own equipment into the active infrastructure layer through the second tender. This approach to network expansion through the separation of passive and active infrastructure has been adopted in other countries such as the U.K. and Singapore, and is currently being undertaken under the SAPMP Project in DRC, the CAB APL3 in the Republic of Congo and WARCIP 2 in Mauritania. Finally, the revenues collected by the SPN through the concession contract(s) will be re-invested in the deployment of additional routes.

Defining the PPP arrangements. A legal and regulatory expert (Individual Consultant) and a transaction advisor (Firm) have been recruited under the Project Preparation Advance (PPA). The individual consultant supports the Government to prepare the establishment of the SPN (governance structure, organizational chart, budget...) and identify the best suited PPP structures for the second step. The transaction advisor will assist the Government (i) in finalizing the technical bidding documentation and the process to recruit the equipment provider to build the passive infrastructure and (ii) in implementing the transaction between the SPN and the selected operator(s) for the operation of the infrastructure. Participatory approach: working with civil society.

The project will pay great attention to “softside” considerations in preparation of the terrain, to make it investor-friendly but also to pacify any new tensions from construction and modernization amidst desperation, isolation, lawlessness, and abject poverty. In order to do so, the project intends to work with NGOs to ensure participative Monitoring & Evaluation and to involve stakeholders as well as stay close to the communities, to understand grievances and passions on the ground that could interfere with success of this operation. This operation will spawn a number of sustained public-private consultative dialogue processes, starting at national, and then at subnational level to elicit advocacy discussions and spread enthusiasm for the operation wherever it will change lives, alleviate extreme poverty and boost shared prosperity.

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

The project will support the deployment of fiber optic cables and the associated civil works and transmission equipment along the specified routes. Most of the fiber will be laid alongside existing roads, rails or other infrastructure. This infrastructure deployment will be coordinated with other infrastructure projects in order to mutualize benefiting from the concept of cross-sector infrastructure sharing. The total length of the missing links to be funded by the project is estimated to be 2,200 km and consists of the following three links:

- (a) Western Cluster – Link Kinshasa_Muanda. The link between Kinshasa and Muanda will be

deployed in coordination with the Société Commerciale des Transports et des Ports (SCTP). It will pass through Matadi and then follow the “Nationale 1” road to Muanda. In Muanda, connection will be made to the international submarine cable and to the backbone in the neighboring Republic of Congo through to Brazzaville. Other possible regional links include interconnections with Cabinda, Kongo and Mbanza in Angola.

(b) Eastern Cluster –Links Kalemie_Bukavu, Bukavu_Béni_Lubutu and Lubutu_Kisangani. The link between Bukavu and Beni (via Goma) will follow the "Nationale 2" road. This link will provide regional interconnections with Rwanda, Burundi and Uganda. The connecting link to Kisangani could be considered in the Project CAB5.

(c) Southern Cluster – Link Bukama_Kalemie. This part of the network will be twofold. The link between Lubumbashi and Kananga will be constructed in coordination with the Société Nationale des Chemins de Fer du Congo (SNCC). The second part of the link will be deployed between Bukama and Kalemie following the “Nationale 33” road. This link will make possible the regional interconnection to Zambia through Kasumbalesa in DRC.

5. Environmental and Social Safeguards Specialists

Paula F. Lytle (AFTCS)

Abdoulaye Gadiere (AFTN1)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>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 environmental impacts, even if on limited scale. Impacts will mostly be related to digging along the roads and across human settlements, forests and natural habitats.</p> <p>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) has been prepared, reviewed, consulted upon and disclosed within the DRC and at the Infoshop on May 23rd, 2014.</p>
Natural Habitats OP/BP 4.04	Yes	<p>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 encounter 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</p>

		required. The ESMF which will be prepared in accordance with OP/PB4.01 will take into consideration this issue. The ESMF has been prepared, reviewed, consulted upon and disclosed within the DRC and at the Infoshop on May 23rd, 2014 contain a chapter to take into account Natural Habitats matters.
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	N/A
Physical Cultural Resources OP/BP 4.11	Yes	The ESMF has been prepared, reviewed, consulted upon and disclosed within the DRC and at the Infoshop on May 23rd, 2014. It includes a chapter on managing Physical Cultural Resources matters.
Indigenous Peoples OP/BP 4.10	Yes	An Indigenous Peoples Planning Framework has been prepared and disclosed in-country and through InfoShop on May 23rd, 2014.
Involuntary Resettlement OP/BP 4.12	Yes	A Resettlement Policy Framework has been prepared and disclosed in-country and through InfoShop on May 23rd, 2014.
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

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The project is likely to involve nine (9) provinces: North Kivu; Bas-Congo; Katanga; Kasai Oriental; Kasai Occidental; Kinshasa; Orientale Province; South Kivu; and Maniema. Some of these areas include fragile ecosystems such as savanna areas, wetlands, and forests. These are also areas with a dense network of rivers which contribute to fishing and agricultural activities. Furthermore, there are hunting reserves along the course of the planned project route which raises the risk of increasing access to them and subsequently poaching activities. Negative environmental and social impact of the project will come mainly from the laying of the fibre optic cable through the project route. Much of this route is expected to be alongside roads, however, there may be instances where by the fibre and ducts go through human settlements, natural habitats, etc, and it may affect physical cultural resources. In terms of socioeconomic impact, the project could</p>
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<p>involve land acquisition or temporary displacement of livelihood activities. Furthermore, the project could directly impact Indigenous Peoples, as the project lays fibre close to or through their villages. None of these impacts are envisioned to be irreversible, however, in light of the potential impact, five World Bank safeguard policies are triggered under the project: OP/BP 4.01 on environmental assessment; OP/BP 4.04 on Natural Habitats, OP/BP 4.11 on Physical Cultural Resources; OP/PB on Indigenous Peoples and OP/BP 4.12 on Involuntary Resettlement.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>Taking into account the nature and the scale of envisioned activities, some adverse impacts linked to civil works is expected. However, the Government has developed an Environmental and Social Management Framework (ESMF) that includes specific and stringent guidelines for contracting companies who will be laying the fibre optic cable. In terms of positive impact, it is envisioned that the project will trigger the provision of telecommunications services including for mobile broadband Internet in the urban and semi-urban areas along the project route – benefiting residents of these areas. It is envisioned that with the use of mobile networks, that telecommunications services will be extended from the fibre backbone to more rural areas.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>The use of existing infrastructure, including the power lines and along roads or rails being built will limit the physical footprint or impact of the construction activities and possible land acquisition.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>In order to prepare for addressing the potential negative impact, the Government has prepared three appropriate safeguards instruments: an Environmental and Social Management Framework (ESMF), an Indigenous People Planning Framework (IPPF) and a Resettlement Policy Framework (RPF). The ESMF outlines an environmental and social screening process for component's activities (which includes: Guidelines for an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP); Environmental Guidelines for Contractors; and a summary of the World Bank's safeguard policies). It will also contain chapters to take into account Natural Habitats and Physical Cultural Resources matters. That means guidance and guidelines will be included in the ESMF to this end. The RPF has been prepared by the government to address such circumstances and supervision and monitoring will identify if abbreviated Resettlement Action Plans will need to be prepared during implementation to address any land acquisition or temporary displacement of livelihood activities. The RPF has been developed to address potential land acquisition or loss of economic activity on the part of individuals or groups of individuals in project intervention zones. Similarly, although the routing of the fiber optic and/or the use of microwave where terrain does not allow for fiber optic is unlikely to have any impact on Indigenous Peoples, an IPPF has been prepared by the government as the project is being implemented in areas near to or in which Indigenous Peoples are present. As both previous documents, the IPPF also seeks to address potential adverse impacts on the indigenous peoples. These three documents have been prepared, in full compliance with World Bank and national safeguard policies, including a broad consultation framework involving all relevant stakeholder groups, both public and private, as well as civil society. After consultations, these three safeguard instruments have been disclosed within the country and at the World Bank Infoshop in May 2014. During the project implementation, Indigenous Peoples Plans (IPP) will be prepared if necessary to avoid, minimize, mitigate or compensate adverse impacts on these</p>

specific groups of peoples.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The IPPF also seeks to address potential adverse impacts on the indigenous peoples. During the project implementation, Indigenous Peoples Plans (IPP) was prepared to avoid, minimize, mitigate or compensate adverse impacts on these specific groups of peoples. These three documents have been prepared, in full compliance with World Bank and national safeguard policies, including a broad consultation framework involving all relevant stakeholder groups, both public and private, as well as civil society. After consultations, these three safeguard instruments were disclosed within the country and at the Infoshop prior to appraisal completion.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	04-May-2014
Date of submission to InfoShop	23-May-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Congo, Democratic Republic of	23-May-2014
<i>Comments:</i> The ESMF was disclosed in-country on COPIREP's website: http://www.copirep.cd/	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	04-May-2014
Date of submission to InfoShop	23-May-2014
"In country" Disclosure	
Congo, Democratic Republic of	23-May-2014
<i>Comments:</i> The RI was disclosed in-country on COPIREP's website: http://www.copirep.cd/	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	04-May-2014
Date of submission to InfoShop	23-May-2014
"In country" Disclosure	
Congo, Democratic Republic of	23-May-2014
<i>Comments:</i> The IPPF was disclosed in-country on COPIREP's website: http://www.copirep.cd/	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Name: Jerome Bezzina	
<i>Approved By</i>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 11-Jun-2014
Sector Manager:	Name: Randeep Sudan (SM)	Date: 12-Jun-2014