



# Concept Environmental and Social Review Summary

## Concept Stage

### ( **ESRS Concept Stage** )

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**BASIC INFORMATION**

**A. Basic Operation Data**

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180931	Investment Project Financing (IPF)	EARDIP SOP-II	2024
Operation Name	Eastern Africa Regional Digital Integration Project SOP-II		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Eastern and Southern Africa		EASTERN AND SOUTHERN AFRICA	Digital Development
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Ministre de l’Economie et des Finances, Chargé de l’Industrie (Djibouti) , Ministry of Finance (Ethiopia)	Ministry of Innovation and Technology (Ethiopia) , Ministry of Communications, Posts and Telecommunications (Djibouti)	18-Sep-2023	15-Nov-2023

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**Proposed Development Objective**

The Series of Projects (SOP) development objective is to promote the expansion of an integrated digital market across Eastern Africa by increasing cross-border broadband connectivity, data flows and digital trade in the region. Phase II development objective of the SOP is to advance digital market integration in the Eastern Africa region by increasing affordable access to regional broadband connectivity, and strengthening the enabling environment for cross-border data flows, and digital skills development.

Financing (in USD Million)	Amount
<b>Total Operation Cost</b>	<b>130.00</b>

**B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No



### C. Summary Description of Proposed Operation [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project follows EARDIP SOP-I (P176181) (Somalia, South Sudan, the Eastern Africa Community (EAC) and the Intergovernmental Authority of Development (IGAD)) and will include Djibouti and Ethiopia. Together with SOP-I, it will help to advance the integration of digital markets in the Eastern Africa region. The region has made significant strides to enable free movement of goods and services; the next challenge for the region will be enable cross-border flows of digital services. The project takes a holistic approach to supporting simultaneous integration of the connectivity (broadband services), data (enabling of cross-border flows of data), and online (enabling of cross-border digital payments, trade and commerce) markets across the region. Advancement in each distinct market layer is expected to create a virtuous cycle as each segment builds on another, reinforcing the development, expansion and integration of the region's digital market. As part of EARDIP SOP II, the project will not finance the construction of undersea cables and submarine landing stations as Djibouti is already connected with nine submarine cables currently in service which provide plenty of capacity. Thus, there is no requirement to use capacity on any other cables that are planned or under construction in Djibouti, which implies that there are no associated facilities with SOP II. The following components are proposed for the project, which would consist of a menu of activities from which participating countries and entities could choose. Interventions under each component would target both relevant regional bodies and individual countries and would be tailored to the needs of each individual recipient, considering the different stages of development within the region. The trajectory of the participants however would remain the same, e.g. moving towards the creation of a digitally enabled environment for regional integration and development. The project has four components plus a CERC. - Component 1 ("Connectivity Market Development and Integration") will bridge existing network coverage and access gaps through catalytic infrastructure financing and support for an enhanced enabling environment to develop the regional broadband connectivity market. Under Sub-component 1.1, support will be provided to deploy upwards up to 3,000 kms of fiber network in Ethiopia and up to 300 kms in Djibouti, covering strategic cross-border and national backbone network links as well as their extension into borderland areas. Further, activities to be financed especially under Component 1 could stimulate development of telecommunication facilities/infrastructure by the private or public sector that may adversely affect natural habitats and biodiversity. - Component 2 ("Data market development and integration"), which contains two subcomponents, aims to enable the secure exchange, storage and processing of data across borders to support regional deployment and access to data-driven services, innovation and infrastructure, including reducing regional restrictions on the free flow of data and increasing investments into data infrastructure. - Component 3 ("Online Market Development and Integration"), which contains two subcomponents, aims to support the development and integration of the online market, which would enhance the enabling environment for the cross-border delivery and access of digital goods or services. - Component 4 ("Project Management and Implementation Support") will provide technical assistance (TA) and capacity support for project implementation. - Component 5 ("Contingent Emergency Response Component") will allow for the rapid reallocation of IDA funds in the event of an eligible emergency declared in one of the participating countries.

### D. Environmental and Social Overview

D.1. Detailed operation location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The proposed project focuses its physical investments in across boarder areas between Ethiopia and Djibouti. It follows the Eastern Africa Regional Digital Integration Project (EARDIP) SOP-I (P176181) (Somalia, South Sudan, EAC



and IGAD) and will include Djibouti and Ethiopia, bringing the total to five, including Kenya. Ethiopia, a landlocked country with a total area of 1.1 million km<sup>2</sup>, consists of diverse topography including rugged mountains, flat-topped plateaus, deep gorges and river valleys and vast lowland areas. About 45% of the country is highland with an altitude of 1500 m or above, and 55 % is lowlands with an altitude of less than 1500 m. Ethiopia has also diverse ecosystems including national parks, high forest priority areas and protected areas, which are inhabited by a great diversity of animals, plants, and microbial genetic resources; and this makes Ethiopia one of the biodiversity hotspots of the world. Ethiopia's population is highly diverse, containing over 80 different ethnic groups, including historically underserved regions. Djibouti, with an area of 23,200 km<sup>2</sup> and a coastline 370 kilometers long, has less than one million population. The majority live in the capital while most parts of the country are sparsely populated and characterized by semi-nomadic pastoralist production systems. Djibouti has a landscape which is largely made up of volcanic formations molded by tectonic plate movements/separation. It is also one of the most water-scarce countries in the world. Limited arable land and potable water, as well as increasing desertification, remain significant challenges for the country. The region is also highly vulnerable to the effects of climate change. The 2019 Notre Dame Global Adaptation Index indicates that most countries in the region have high vulnerability and low readiness to combat the effects of climate change (e.g., Ethiopia is ranked as the 163/182 most vulnerable country to climate change and 151/192 least ready to support needed adaptation). Rising temperatures and unpredictable rain patterns have resulted in both severe flooding and extreme droughts. Lack of climate resilient infrastructure, including digital infrastructure, limits digitally enabled responses to climate events, exacerbating existing vulnerability and limiting adaptation capacity.

The Eastern Africa region includes countries with a history of conflict, fragility, and is characterized by widespread disparities in relation to key socio-economic indicators. Approximately half the countries in the sub-region are categorized as countries afflicted by fragility, conflict and violence (FVC) on account of protracted periods of civil war, the presence of powerful non-state actors and characterized by weak political and governance capacity. Successive shocks and insecurity (including recent conflict in the Tigray region in Ethiopia (2020-2022) and onset of natural calamities such as droughts and floods prevalent in the HoA region) have led to a record number of internally displaced people (IDPs) and refugees, particularly in borderland areas. Djibouti graduated from the FCV list in 2020. Persistent security concerns have created a high-risk operating environment, limiting investment in infrastructure deployment in the absence of de-risking efforts. Local conflicts, notably in the Tigray region of Ethiopia, and border disputes have created a highly risky operating environment in the Horn of Africa.

A stark gender gap is also recorded in respect to literacy, due to lower education enrollment and completion rates for women and girls. Based on available data, access to and use of information and communication technology (ICT) is limited for women, resulting in pronounced gender gaps in relation to digital access in both Djibouti and Ethiopia. The lack of adequate code of conduct is also an area to address for large infrastructure deployment.

#### D. 2. Borrower's Institutional Capacity

Regional level (supported under SOP-I). Through SOP-I support is being provided to set-up Project Implementation Units (PIUs) and Project Steering Committee (PSC) at the Regional Economic Communities (RECs) level in both EAC and IGAD. A Project Coordination Committee (PCC) will be set up to facilitate interaction, including ESF aspects, between the two RECs, and to encourage coordination between the RECs and the national level PIUs set up in the countries through SOP-I (Somalia, South Sudan), and SOP-II –Ethiopia and Djibouti. (Figure 1 below details these arrangements).



National level. In line with implementation arrangements for SOP I, phase II will work with two separate PIUs, hosted by the Ministry of Communications, Charged with Posts and Telecommunications (MCPT) in Djibouti and the Ministry of Innovation and Technology (MInT) in Ethiopia. Both have just under two years’ experience in implementing World Bank projects, and they are both rated Moderately Satisfactory (MS) for both Program Development Objective (PDO) and Implementation Progress (IP). They will also interact with IGAD, at the regional level, as both Djibouti and Ethiopia are IGAD members (though not yet EAC members) as illustrated in Figure 1. At the national level, both MCPT and MInT will play a key role in technical oversight of the project/SOP II including environmental and social risk management activities. In Ethiopia, the PIU environmental and Social (ES) and other staffing loss, due to significant salary cut following Ministry of Finance guideline, is now recovering, and the ES experts are expected to be hired by April 28, 2023. The ES staffing requirement for SOP II will be assessed during the preparation phase and incorporated in relevant ESF documents, including ESCP and ESMF for both countries.

It is expected that the MInT’s and MCPT’s capacities to understand and address ES risks related to digital integration including issues such as data privacy, data protection and security, cyber security and e-waste are likely to be limited. Hence, there should be technical assistance embedded in the project design to ensure that individual borrower countries will develop appropriate policy and regulatory frameworks related to e-waste management, data privacy, protection, and security (where such legal frameworks have not been enacted) and implementation.

Regional-national level collaboration at the PIU, PCC and PSC levels. Key channels will be set up to ensure collaboration between the regional and national level, including (a) at the PIU level, where focal points in national PIUs will liaise with the regional PCC on implementation of activities requiring country-level inputs; (b) PCC at the regional level will comprise experts from national member states who will interact with the regional PIUs on operational issues and ESF aspects affecting their respective countries; (c) PSCs for the region will include national member state representatives to ensure their involvement in decision-making and supervision; and (d) similarly, representatives from IGAD will be represented in the national PSCs.

Under Component 4 of this SOP II phase, support will be provided to enable collaboration between regional and national PIUs to ensure Environmental and Social Framework (ESF) compliance, with a particular emphasis on addressing the high security- and GBV-related risks associated with the deployment of infrastructure and civil works, including stakeholder consultation, a robust grievance redress mechanism, and development of site-specific assessments and plans. All this along with the capacity building requirements of the implementing entities will be assessed in detail during the preparation phase.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### Environmental Risk Rating

Substantial

The environmental risk rating (ERR) at the concept stage is substantial considering the FCV contextual risks (specifically in Ethiopia), and the environmental, health, & safety (EHS) risks mainly resulting from broadband connectivity infrastructure deployment (Comp. 1). Downstream EHS risks can also result from regional regulatory and policy frameworks that may promote investments in new infrastructure for digital integration. Similarly, activities



under Components 2 & 3 could stimulate investments in new digital infrastructure in the participating countries that can have various EHS risks during construction & operation phases. Potential EHS impacts to terrestrial & aquatic habitats may be substantial during construction and installation of linear infrastructure such as long-distance fixed line cables (3000 km in Ethiopia & up to 300 km in Djibouti), & access roads to other types of infrastructure along previously undeveloped land. The path of new telecom routes, including in border region between Ethiopia & Djibouti, is most likely to use existing infrastructure or be co-located to it, which will be specified following a technical study. Telecommunications processes do not usually require the use of significant amounts of hazardous materials. However, the operation of certain types of switching & transmitting equipment may require the use of solar power & backup power systems consisting of a combination of batteries (typically lead-acid batteries). Operations & maintenance activities may also result in the generation of -wastes (e.g., nickel cadmium batteries and printed circuit boards from electronic equipment, backup power batteries). Poor E-waste handling & disposal could expose people to non-dioxin-like polychlorinated biphenyls, polycyclic aromatic hydrocarbons, polychlorinated dibenzo-p-dioxins, polychlorinated dibenzofurans & dioxin-like polychlorinated biphenyls. Most of these compounds are endocrine disrupters & most are neuro-toxic. E-waste-related toxic elements & leaching of heavy metals associated with the use & disposal of lead-acid batteries can enter living organisms through air (e.g., open burning), soil (e.g., disposal) and/or water via ingestion (e.g., food chains contamination) due to disposal and poor recycling processes). E-waste is resistant to biodegradation with strong tendency to bio-accumulate in agricultural lands and be available for uptake by grazing livestock. However, the E-Waste Management Plan to be prepared as part of the ESMF by each implementing entity, along with the regional strategy for e-Waste management to be financed under EARDIP SOP I, could help minimize the risks. Emissions from telecommunications projects may be primarily associated with the use of backup power generators, and the use of cooling and fire suppression systems. Construction of the digital infrastructure may contribute to environmental pollution such as air, construction waste, noise and water pollution. Occupational health and safety issues in the telecommunications projects include elevated and overhead work, confined space entry, electrical and motor vehicle safety issues. There are community health & safety concerns if e-wastes & lead-acid batteries are not properly managed, as people can be exposed to heavy metal & e-waste-related toxicants through air, soil, water via ingestion, inhalation, &/or dermal absorption. Increased incidence of communicable & vector-borne diseases may occur because of construction activities. Construction activities may also result in an increase in traffic-related accidents & injuries to workers & local communities. As the current institutional capacities of MCPT & MInT are limited, the Clients' capacity to manage the above EHS risks with required capacity building including preparation, implementation, and monitoring of E&S instruments will be assessed with the above stated risks in detail during preparation; & the ERR will be revised based accordingly.

**Social Risk Rating**

Substantial

The overall impacts of the project are expected to be positive. The project will benefit private and public sectors, and low income market segments across borders areas of lagging regions in two countries, by providing them with life-lines in terms of improved digital connectivity and is likely to reduce digital exclusion. Nevertheless, the social risk is deemed substantial. Social risks could include the (i) risks of exclusion of vulnerable groups incorporating the illiterate, women, groups that are traditionally excluded and/or speak different language or qualify under ESS7, IDPs and refugees, the extremely poor without access to devices needed to participate in the digital economy and public life; (ii) risks to privacy and misuse of data for targeting or excluding certain groups, (iii) security risks (iv) labor influx, Sexual Exploitation and Abuse (vi) physical and /or economic displacement due to land acquisition. A large part of project investments will take place in a fragile conflict and violence (FCV) country, Ethiopia. Activities under component 1, potentially terrestrial fiber optic backbones as well as mobile networks, are likely to require acquisition of land and potentially entail physical and /or economic displacement. The severity of any such impacts will depend

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on the existing land uses, importance of sites for livelihoods , and the ability of landowners to utilize the land where cables are located post construction. Project’s impact on land acquisition, restrictions on land use and involuntary resettlement could differentially affect traditional local communities (as per ESS7), as well as women, people living with disabilities, and those with smaller land plots or with informal rights to the land they use. Similarly, construction of secure exchange and data storage facilities, under Component 2, though likely to be smaller in terms of geographical footprint, may also result in land acquisition and induce resettlement impacts. Expansion and deployment of digital infrastructure will require a construction workforce and may result in a moderate labor influx for direct and contracted workers in which, the actual labor force will be determined during project implementation. The expected labor influx has the potential for impacts on community health and safety, including SEA/SH and transmission of diseases, such as HIV/AIDS. Labor risks also include the use of child and forced/trafficked labor, especially in relation to construction activities and the supply chain. The conflict in Ethiopia is not fully resolved, associated risk including the use of security personnel during construction will need to be determined through a Security Risk Assessment and Security Management Plan .Given the potentially remote and geographically distributed nature of activities, as well as security considerations, supervision may be a challenge. The project will ensure that appropriate measures are taken to address these risks, by undertaking initial risk screening and applying relevant E&S frameworks developed before project approval. The project also proposes activities to harmonize policies and legal frameworks for data privacy, protection and security. These TA activities will need to be undertaken in line with the World Bank OESRC Advisory Note on Technical Assistance and the Environmental and Social Framework May 21, 2019. Inclusion of the needs and interests of vulnerable groups, including communities meeting the criteria of ESS7, will be undertaken to ensure that collected data will not be used as a basis for discrimination. The project risks can be managed with development and implementation of a targeted risk and impact management instruments. Such instruments include ESMF, RF, SEP, SA, SRA and SRMP, and SEA/SH risk assessment and action plan as well as providing appropriate capacity building to implementing partners and other key stakeholders based on findings of capacity assessment as part of the ESMF.

**Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating** Moderate

The SEA/SH Risk Rating at the concept stage as assessed by the screening tool is Moderate. The project may be implemented in locations that are difficult to access, including areas involving ongoing or sporadic conflict given the overall country context in Ethiopia. Project activities including constructions are likely to be associated with risk of SEA/SH. Labor influx, especially for Component 1, is expected to occur, along the presence of worker camps with labor influx and in the context of recruitment and hiring. The capacity of prevention and response to SEA/SH could be minimal. As part of the preparation, the Borrowers shall undertake an assessment and develop a commensurate action plan. At a later stage of project preparation, SEA/SH risk rating for both countries will be further assessed as required, using WB SEA/SH Online Risk Assessment Tool and GBV Good Practice Note, to inform country level SEA/SH mitigation measures for EARDIP SOP II project implementation.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

***Overview of the relevance of the Standard for the Operation:***

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Key EHS risks could result from activities under: a) Comp 1 which will bridge existing network coverage & access gaps through infrastructure financing & support for an enhanced enabling environment to develop the regional broadband connectivity market; b) Comp 2 which will foster the development of a regional data market by enabling more affordable, secure, & seamless data management & sharing across borders; & c) Comp 3 which will build the regional online market by removing barriers to cross-border trade & payments, & investing in key enablers for expanded digital service delivery. TA & Capacity Building Activities undertaken as part of the three components will be implemented in compliance with the World Bank's Advisory Note on Technical Assistance.

The project activities could have potential EHS risks associated with: a) alteration of terrestrial & aquatic habitats which could have risks especially if digital infrastructures may pass through critical habitats or biodiversity hotspots during construction periods & possibly during maintenance which will be addressed through exclusion list, ES screening & scoping for all subprojects with potential impacts, & alternative analysis to avoid/minimize significant impacts to sensitive ecosystems. The installation of fixed line components, fiber optic cables, & access roads to transmission towers & other fixed infrastructure, may require construction of corridors crossing aquatic habitats with the potential to disrupt watercourses, wetlands, & riparian vegetation, which will be managed through considering proper exclusion list, screening and scoping, & alternative analysis to avoid/minimize interventions in sensitive ecosystems. Other potential risks are related with: b) construction & electronic wastes; c) localized greenhouse gas emissions; d) construction activities may also account for an increased demand for resources including water, energy & raw materials; and e) occupational & community health & safety issues. Also, power transmission lines, where they exist, may be used for optical fiber ground wire, depending on the outcome of competitive bidding processes; thus, potential EHS risks associated with this activity will be managed in accordance with WBG EHS Guidelines for Telecommunications & other GIIP. There are also similar downstream EHS risks due to TA activities to be financed by the project such as legal, policy & regulatory frameworks. Potential social risks include: a) physical &/or economic displacement as a result of land take for cross-border, national backbone, backhaul & access network infrastructures (fixed line components, access road & other fixed infrastructure) under Comp 1 and data management and hosting infrastructures development under Comp. 2; b) civil works under Comps 1 & 2 may result in community health & safety impacts including transmission of diseases, social conflict & SEA/SH while construction is ongoing & during any maintenance activities during operation; c) presence of security personnel (if required) notably during construction of infrastructure but also to protect assets during operation; & d) adverse impacts on land used by historically underserved communities in Ethiopia, depending on siting of infrastructure. Differential impacts may be experienced by vulnerable groups. In recent years, borderland areas in southwestern Ethiopia are seen with the number of camps for IDPs & refugees, & their communities increase significantly. Many of these areas remain underserved with digital infrastructure. As borderlands can also be hotspots for cross-border trade, weak access to broadband in these areas hamper prospects for digitally enabled commerce.

Potential ES risks & impacts will need to be considered as part of the decision-making process to determine subprojects to be invested in. Screening of sub-projects should be undertaken as early as possible (as part of preparation) to determine if proposed activities are likely to be environmentally & socially sound & sustainable against pre-defined criteria which will include but not be limited to consideration of access to land, livelihoods, presence of ESS7 communities, existing land uses. Also, exclusion list will be established (as part of the ESMF, ESCP, & others) to avoid high risk subprojects during implementation phase.





Prior to appraisal, each participating country (comprising Djibouti and Ethiopia) will prepare a) Environmental & Social Commitment Plan (ESCP); b) Stakeholder Engagement Plan (SEP); c) Environmental & Social Management Framework (ESMF) (including, as annexes, Labor Management Procedures, GBV/Sexual Exploitation and Abuse /Sexual Harassment Action Plan, Social Assessment, E-waste Management Plan, & capacity assessment and relevant action plan); & d) Resettlement Framework (RF) . Further, Ethiopia is required to prepare Security Risk Assessment and Management Plan (SRAMP) as it is under the list of FCV countries. Likewise, Ethiopia will prepare a Social Assessment (SA), pertaining historically underserved & vulnerable communities. The SA will be consulted upon & disclosed prior to appraisal to guide the development of site-specific Social Development Plans.

The ESMF will cover, among others, ES social baseline of the project; review of relevant policy, institutional & regulatory frameworks; ES risks & impacts, including cumulative impact assessment (on planned infrastructure deployment, & legacy issues that are directly related to enabling infrastructure &/or are generating ongoing impacts related to pre-existing facilities) & transboundary impacts, & mitigation measures; ESMF implementation process; project implementation arrangements; monitoring & reporting system, capacity building & training; community health & safety training/awareness plan; exclusion list of subprojects; ES screening process; ToRs for the preparation of site specific ES instruments; chance finds procedures; procedures for managing contractors; & WB EHS Guidelines for Telecommunications.

Site-specific instruments (ESIAs/ESMPs) for civil works will be prepared by MInT & MCPT during project implementation once specific sub-projects are defined, following the ESMF, RF & other ESRM instruments. The implementing entities will require civil works contractors to prepare contractors'-ESMPs prior to commencement of construction activities. At this stage, no facilities which fulfill the ESF definition of associated facilities have been identified. While inclusion of High risk sub-projects is expected to be screened out by applying the negative list in ESMF, the development of draft or full-ESIAs for a representative sample of subprojects will be considered if: a) the ERR is raised to high; b) subprojects will be sufficiently defined by Appraisal, & c) RSA concurs the approach.

Direct social impacts associated with the project, notably the activities under Comp 3 but potentially from TA activities under Comps 1 & 2, may relate to data privacy protection & use associated with the establishment of open access, data exchange, big data analytics & use in public & private services online. Protocols/agreements should be established for the sharing of the data within & between countries recognizing its potential usefulness. The development of any legal, regulatory, or operational frameworks as part of the project at national level will need to be undertaken in line with the requirements for the ESSs to protect people from potential harm.

The Project implementing entities will follow the WBG EHS Guidelines for Telecommunications and WBG General EHS Guidelines to address EHS risks. Also, the project will finance the development and harmonization of data privacy policies in Comp 2. If the ES assessment reveals that third-party monitoring (TPM) will be needed, this will be clearly reflected in the Appraisal ESRS and ESCPs.

## **ESS10 Stakeholder Engagement and Information Disclosure**



Stakeholder engagement is a critical tool for social and environmental risk management. The objective of the stakeholder engagement is to incorporate views from all stakeholders through meaningful consultations and feedback to improve the environmental and social sustainability of the project, enhance its acceptance, and make a significant contribution to successful Project design and implementation. The mapping of stakeholders, respective interest, roles and responsibilities will be defined and updated before appraisal in the Project Stakeholder Engagement Plan (SEP), proportional to the nature and scale of the Project and associated risks and impacts. The implementing entities (MinT and MCPT) will seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format, language, and location) and through channels that are suitable in the local context. The implementing entities will engage in meaningful consultations with all stakeholders throughout the Project life cycle, paying attention to the inclusion of historically underserved peoples, vulnerable and disadvantaged groups (including the elderly, persons with disabilities, female headed households and orphans and vulnerable children).

Primary stakeholders of the project will be the Implementing Agencies, telecom administrations, private telecom companies, ministries/administrations expected to execute sub-projects. Other potential stakeholders could include ministries of foreign affairs, customs administrations in both countries, Chambers of Commerce or similar, labor unions and other CSOs involved in representation of enterprises, academic institutions. In addition, Project Affected People in relation to proposed civil works and end users and their representative groups including vulnerable groups particularly those with access challenges must be engaged. Key stakeholders will be consulted during preparation, and the SEP and A-ESRS will summarize the consultation process and the project design will reflect stakeholder inputs. The Implementing Agencies in Ethiopia and in Djibouti will prepare each, a separate Stakeholder Engagement Plan (SEP) to be consulted on prior to Appraisal, and consistent with the requirements of ESS10.

The SEPs will also consider how engagement can be undertaken in line with any restrictions that may be in place as a result of social distancing or restrictions on gatherings as a result of COVID-19 within the selected countries. This may involve the use of technology as well as more traditional means of communication including radios and traditional leaders.

The SEPs will further include a description of a Project Grievance Mechanism which will include confidential mechanisms for receiving complaints of sexual exploitation and abuse and sexual harassment, as well as other forms of GBV and establish a protocol to enable survivor-centered responses. The GRM will address complaints and suggestions coming from both project beneficiaries and other interested parties. Consideration will be given to utilizing or strengthening existing grievance redress mechanisms which may exist in the project local contexts if relevant.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Operation.**

### **ESS2 Labor and Working Conditions**

Project workers will include (i) Direct Workers who will be directly engaged in Ethiopia and Djibouti to work on the project; (ii) contracted workers employed by third parties to undertake activities including construction, provide



technical inputs and support the TA activities; and (iii) primary supply workers to provide goods or materials needed for the project. At this stage, the use of community workers is not anticipated but this will be confirmed during preparation. While contracted local labor will be prioritized, unremunerated community work will not be included in the project community. The risk of forced labor linked with project activities (involving solar panels) will be assessed and included in the Labor Management Procedures (LMP) to be prepared as an annex to the ESMF.

OHS is one of the anticipated risks of the Project especially in digital infrastructure development activities. Specific OHS measures required (including provision of adequate and appropriate personal protective equipment for specific work duties-see also the para on OHS measures below for details) for the above-stated project workers will be assessed and reflected in the LMP during the preparation phase. Attention will also be given to training of workers on OHS risks and awareness to minimize the risks. Regarding Primary Supply Workers, the project implementing entities (MInT & MCPT) are required to carry out screening for potential risks of child labor, forced labor, and serious safety. Suppliers must take (a) steps to remedy any cases of child or forced labor; and (b) introduce procedures and mitigation measures to address serious safety risks. Where remedy is not possible, the implementing entities will, within reasonable period, shift to suppliers who can demonstrate practices consistent with ESS2.

In addition, workers may be subject to labor risks including terms and conditions of employment which are not in line with national law and/ or ESS2 including in relation to hours of work, remuneration, living conditions etc. Risks associated with Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) may also occur especially affecting women and girls e.g., in return or maintain employment opportunities.

Labor Management Procedures (LMP) which identify the main labor requirements and labor risks associated with the Project will be prepared based on the requirements of ESS2 and Ethiopia's labor law (1156/ 2019) and Djibouti's labor law, prior to project appraisal. The LMP will provide procedures to address labor issues including, but not limited to: (i) child and forced labor; (ii) contracts of employment and terms and conditions of employment, (iii) protection of wages including fair treatment, non-discrimination and equal opportunity of project workers; (iv) occupation, health and safety issues; (v) labor influx and associated risks; (vi) SEA/SH risks; and (vii) grievance mechanism for direct and contracted workers with accessible means to raise workplace concerns including SEA/SH grievances in a confidential manner.

The OHS measures will be designed and implemented to address: (a) identification of potential hazards to project workers; (b) provision of preventive and protective measures, including elimination of hazardous conditions or substances; (c) training of project workers and maintenance of training records; (d) documentation and reporting of occupational incidents, accidents, and diseases; (e) emergency prevention and preparedness and response arrangements to emergency situations; and (f) remedies for adverse impacts such as occupational injuries, disability and disease. As part of the contractor's- ESMP (C-ESMP), contractors in the digital infrastructure development will be required to prepare and implement Occupational Health & Safety Plans (OHSP) following the World Bank Group Environment, Health and Safety (EHS) Guidelines, adopt a code of conduct for all workers and establish GRM (accessible for direct and contracted workers) before commencement of the civil works.

The security risk assessment and security management plans will need to consider risks to project workers based on the contextual situation and develop appropriate mitigation measures to address the risks to the extent possible.



Bidding documents for the digital infrastructure shall include budgets for all OHS provisions as well as other costs associated with labor management e.g., the operation of a grievance redress mechanism, security of project personnel and SEA/SH prevention measures. The Project implementing entities for EARDIP-SOP II will regularly monitor contractor’s performance in implementing the LMP and OHS measures.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The project investment activities such as broadband connectivity infrastructure deployment including fiber optic and mobile networks, as well as broadband services can lead to an increase in e-waste stream in East Africa. Operations and maintenance activities may result in the generation of electronic wastes (e.g., nickel-cadmium batteries and printed circuit boards from computers and other electronic equipment. The operation of certain types of switching and transmitting equipment may require the use of backup power systems consisting of a combination of batteries (typically lead-acid batteries) and diesel-fueled backup generators for electricity. The consequences of poor E-waste and lead-acid batteries handling and disposal in landfills and other non-dumping sites could cause serious risks and impacts to people, including future generations, and the environment. When electronics, e-wastes and lead-acid batteries are improperly disposed, toxic chemicals, including leaching of heavy metals from lead-acid batteries, are released into the environment, adversely impacting soil, water and/or air and ultimately, human health. For instance, e-wastes and their leachates impacts heavy metals could expose people to non-dioxin-like polychlorinated biphenyls, polycyclic aromatic hydrocarbons, polychlorinated dibenzo-p-dioxins, polychlorinated dibenzofurans and dioxin-like polychlorinated biphenyls. Most of these compounds are endocrine disrupters and most are neuro-toxic as they can enter living organisms through air (e.g., open burning), soil (e.g., disposal) and/or water via ingestion (e.g., food chains contamination) due to disposal and poor recycling processes. E-waste is also resistant to biodegradation with strong tendency to bio-accumulate in agricultural lands and be available for uptake by grazing livestock. Greenhouse gas (GHG) emissions may result from the use of backup power generators, cooling and fire suppression systems, and vegetation clearing during construction/installation of fiber optic cables, access roads and other infrastructures. Also, construction activities could have potential environmental liabilities related to the excavation works; and they could contribute to environmental pollution such as air, construction waste, noise, and water pollution. There are also risks of inadequate or illegal sourcing of construction materials. The project could lead to an increase in the use of energy resources for the telecommunication facilities which need to be sourced and used following measures described in the Good International Industry Practices.

These risks could be minimized with appropriate waste management, including waste disposal in authorized disposal sites in line with ESF requirements, and efficient resource management plans to be reflected in the ESMF for EARDIP SOP II for each implementing country and detailed in site specific E&S instruments (such as ESIA/ESMPs) for subprojects. To this end, appropriate pollution prevention and management including e-waste management plan (E-WMP) will be implemented by each participating country as per the ESMF (including E-WMP) for each country. The WBG EHS Guidelines for Telecommunications and General EHS Guidelines will be followed while addressing the potential risks. Further, in to relation to GHG emissions, relevant proposed mitigation measures including alternative/feasible sources of clean energy; plantation of 10 seedlings per a removal of one tree species/ revegetation of disturbed areas with native plant species, &/or identification and analysis of feasible alternative routes which avoid or reduce deforestation; and analysis of fire suppression alternatives will be assessed in detail and reflected in the ESMF and detailed in site specific tools (ESIA/ESMPs) for subprojects.



Construction activities may also account for an increased demand for resources. Potential risks to potential resource efficiency shall further be investigated during environmental and social assessment. To the extent possible, the project implementing entities shall put appropriate measures to ensure resource efficiency (including water, energy, and raw materials) in place during implementation of the project.

#### **ESS4 Community Health and Safety**

ESS4 is relevant as there are potential community health and safety risks and impacts related to the planned construction of digital infrastructures through exposure to pollution such as air, construction waste, noise, water, and solid and liquid wastes, e-wastes, and inappropriate disposal of wastes, as well as impacts related to project workforce interactions with members of project affected local communities. Increased incidence of communicable and vector-borne diseases may occur because of construction activities. Construction activities may also result in an increase in traffic-related accidents and injuries to local communities.

During the preparation phase, MInT and MCPT will evaluate in detail the risks and impacts of the Project on the health and safety of the affected communities that are living in the EARDIP SOP II potential implementation areas. This will include adverse social impacts that relate to labor influx that disrupts communities, GBV/SEA/SH and the transmission of communicable diseases such as HIV/AIDS and Covid -19 on local communities.

If e-wastes (described in ESS1 and ESS3) are not properly managed, they could have considerable impacts on community health. For example, people can be exposed to e-waste-related toxicants through air (e.g., open burning of e-wastes ), soil (e.g., random disposal of e-waste), water via ingestion (e.g., food chains contamination due to disposal and primitive recycling processes), inhalation, and dermal absorption (e.g., dust and direct exposure of workers who labor in poor recycling areas and their families). E-waste is not biodegradable with a strong tendency to bioaccumulate in agricultural lands posing a community health concern. These risks could become more apparent in the long term perhaps during and post-project implementation. See ESS3 for details on E-WMP.

Given the scale of the works, some labor influx is likely but will vary depending on the nature of the civil works and geographical location. Skilled and semi-skilled workers are likely to be sourced from outside the local areas, but it is expected that unskilled workers can be sourced from the community close to the project sites. Labor influx can lead to an increased risk of sexual exploitation and abuse (SEA) notably on women and girls, especially associated with construction activities and locations where worker camps are established.

Following the GBV Good Practice Note and applying the online GBV Risk Assessment Tool, SEA/SH risks of EARDIP SOP II is defined. This will be further elaborated during project preparation phase. In this regard, MInT and MCPT will prepare GBV/SEA/SH Prevention and Response Action Plan (as part of the ESMF) prior to project appraisal. All construction/ installation companies will actively collaborate and consult with communities in promoting the understanding, and methods for, the implementation of community health and safety, including HIV/ AIDS, Covid 19, and other communicable diseases prevention, and informing communities about the requirements of workers' Codes of Conduct. Contractors will also provide Project workers with training on respectful relations with communities, including on health and safety practices.



Security is a key risk given the project implementation locations. In the case of Ethiopia, EARDIP SOP II will make an additional focus on rehabilitating digital infrastructure in areas that have adversely affected due to the conflict in Tigray region and other parts of the country. Given this context, there will be a need to secure project workers and assets during digital infrastructure construction and rehabilitation activities. Deployment of security forces may be required to prevent vandalism, theft or attacks on assets as well as protect workers during project implementation but presents risk to local communities, including SEA/SH and other human rights abuses, including undue use of force. The conflict situation and the use of security personal will be assessed further during the preparation of the Security Risk Assessment & Management Plan (SRAMP) for Ethiopia EARDIP SOP II prior to project appraisal. On the other hand, infrastructure deployment in post-conflict zones in Ethiopia may also require clearing unexploded ordonnance, which will require a specialized firm. EARDIP SOP II will ensure that appropriate measures are taken to address these risks, by undertaking initial risk screening and applying relevant E&S frameworks to be developed before project approval. For Djibouti, planned location for optic link may include the area with security risks. The risks will be examined and measures will be identified as part of ESMF. The needs of preparing a standalone SMP will be discussed based on the findings of the ESMF.

All the stated community health and safety risks with appropriate mitigation measures will be assessed and included as part of the ESMF to be prepared for both Ethiopia and Djibouti, and in the SRAMP for Ethiopia. In addition, the need for engagement with communities around these issues will be addressed as per the SEPs developed for Ethiopia and Djibouti.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The civil works of EARDIP SOP II are likely to induce land acquisition and involuntary resettlement. EARDIP SOP II project activities in Ethiopia and Djibouti, mainly for components 1 and 2, cross-border, national backbone, backhaul and access network infrastructure as well as Last mile connectivity, including in borderland areas as well as the development of data management and hosting infrastructures for a regional data market respectively will induce land acquisition, restrictions on land use and temporary and/or permanent economic and physical displacement of people living in or near the proposed Project implementation target areas. Thus, the project may result in loss of agricultural land and grazing land, loss of livelihood due to impacts on sources of earning, impact on natural drainage leading to land use change. While economic resettlement is likely, but physical resettlement is highly unlikely. Each of the implementing entities/agencies (MinT and MCPT) will prepare its Resettlement Framework (RF) by appraisal in accordance with the requirements of ESS5 and country specific expropriation laws to provide principles and guide the implementation of mitigation measures for land related Project impacts on private/communal land and associated assets, crops, trees, etc. The RF will also include the approach to acquire land including voluntary land donation if this is expected to occur. The Project will follow the mitigation hierarchy, i.e., avoid, minimize, mitigate and/or compensate potential impacts from the design to the implementation. Land requirements for Sub-projects/ Component activities will only be identified during Project implementation using environmental and social screening criteria that will be defined in the ESMF. The Implementing Agencies (MinT and MCPT), once identified the location and specific land requirements, shall prepare and implement site specific Resettlement Plans (RPs), prior to commencement of any civil works for EARDIP SOP II Project activities. Along with RPs, for the impacts generated by





Project activities on livelihood disruption, the development of Livelihood Restoration Plan (LRP) will be a requirement and shall be captured in the ESCPs to be prepared for Ethiopia and Djibouti.

### ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is relevant as activities to be financed by the Project, especially by Component 1, could stimulate development of telecommunication facilities/infrastructure by the private or public sector that could adversely affect natural habitats and biodiversity. Regarding Djibouti, biodiversity baseline information will be assessed during preparation and will be detailed during implementation with an aim to help identify the types of habitats (critical, natural, modified) potentially affected and inform the assessment of the potential risks and impacts on the ecological function of the habitats along with feasible mitigation measures.

Terrestrial and aquatic habitats can be altered primarily during the construction of communications infrastructure depending on the type of infrastructure component and proposed location. Potential adverse risks and impacts to habitat may be substantial or high during construction and installation of linear infrastructure, such as long-distance fixed line cables, as well as access roads to other types of infrastructure. The project activities could account for alteration of terrestrial and aquatic habitats which could have adverse impacts especially if linear digital infrastructure may pass through critical habitats or biodiversity hotspots during construction periods and possibly during maintenance and disposal of digital infrastructure and equipment. The installation of fixed line components, including fiber optic cables, and access roads to transmission towers and other fixed infrastructure, may require construction of corridors crossing aquatic habitats with the potential to disrupt watercourses, wetlands, and riparian vegetation. The ESMF will establish a clear exclusion list for activities that can have high risk on biodiversity and critical natural habitats. It will also consider analysis of alternative process and screening and scoping to avoid and minimize significant impacts to sensitive/critical ecosystems (areas that have high biodiversity importance/value including parks/protected areas/wetlands/high forest areas and provide many habitat features required by threatened and (critically) endangered plant and animal species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of threatened species or equivalent national approaches), and Biodiversity Management Plans (BMPs).

Recommended measures to prevent and control impacts to terrestrial and aquatic habitats during construction are to avoid critical habitat through a) exclusion list for high risk subprojects, (b) E&S screening for potential risks and impacts on biodiversity and living natural resources in line with the ESS6 requirements, (c) use of existing utility and transport corridors whenever possible, (d) use BMPs, (e) avoid construction activities during the breeding season and other sensitive seasons or times of day, (f) revegetate disturbed areas with native plant species (the WBG EHS Guidelines for Telecommunications), and/or (g) indicative list of feasible mitigation measures based on potential risk assessment of the project components/activities including subprojects. There may be also contamination of soil and water and associated fauna and flora due to solid and liquid wastes including e-wastes and other hazardous wastes generated during the construction, operation and maintenance phases of the project.

It is also noted that the ground wire, typically placed above transmission lines, can present a higher risk of birds collision than the larger diameter conductor wires below. In case this is relevant, ESMF will mention the Convention on Migratory Species which is applicable in Djibouti and the specific guidelines so that these can be followed during preparation of site-specific ESIA/ESMPs as applicable.





Overall, all recommended measures, including e-waste management plans, will be included in the ESMF, which will be reviewed, cleared and disclosed prior to project appraisal. Further, based on the result of E&S screening, site-specific ESSs instruments (ESIAs/ESMPs) for subprojects will be prepared, implemented and monitored during implementation. Also, the clients (MinT and MCPT) shall require civil works contractors to develop C-ESMPs satisfactory to the GoE and the WB as per the ESMF and site specific ESMPs/ESIAs, and enforce their implementation accordingly.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

ESS7 will apply in Ethiopia but is not relevant for Djibouti. The EARDIP SOP II for Ethiopia will support digital infrastructure development in locations requiring a push to expand last mile service provision to underserved rural and borderland areas. Project sites may be selected in a manner to avoid adverse impacts on underserved and vulnerable communities of the nation. Communities in Afar, Somali, Gambella, Benishangul and pastoralists found in Oromia and SNNPR Regional States fulfill the criteria of ESS7. Findings from social assessment will be used in designing digital infrastructure and services that addresses the demands, cultural concerns and access gaps (including language) of underserved and marginalized communities that meet the requirements of ESS7.

Underserved communities may be particularly vulnerable if their lands and resources are transformed. The Project will ensure that these communities are not disproportionately affected by adverse impacts of project activities. Selection of Subprojects/ Component activities that would otherwise result in significant adverse impacts on land or natural resources traditionally owned or used by Underserved communities, relocation, or impacts on their cultural heritages will not be eligible for financing under this project. MInT will prepare a Social Assessment (SA), consulted, and disclosed prior to appraisal to guide the development of site-specific Social Development Plans. The Project will also ensure that the Grievance Redress Mechanism (GRM) as per the requirements of ESS10 will be accessible for these communities. For Djibouti, while semi-nomadic pastoralist communities in Djibouti does not apply to ESS7, such population will be meaningfully engaged through other ESSs.

### **ESS8 Cultural Heritage**

This standard is relevant as the proposed construction of communications infrastructure and access roads to transmission towers and other fixed infrastructure in Djibouti and Ethiopia is most likely to cause potential risks to tangible and intangible cultural heritage in Djibouti and Ethiopia. Thus, potential risks of project activities to cultural heritage will be assessed during preparation of the ESMF. As part of the ESMF preparation, both implementing entities will pay special attention to avoiding/minimizing/mitigating impacts on cultural heritage in the intervention areas through exclusion list, E&S screening process, analysis of alternatives, and cultural heritage management plans if significant impacts are foreseen. Further, Chance Find Procedures shall be adopted for precautionary reasons for infrastructure investments to address unknown archeological/historical remains and objects; and the procedures will clearly be described in the ESMF.



**ESS9 Financial Intermediaries**

The project does not involve the use of Financial Intermediaries as such this standard is not relevant.

**C. Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways** No

**OP 7.60 Operations in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

NA

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

The following documents shall be prepared prior to appraisal by each implementing entity:

1. Environmental and Social Management Framework (ESMF ) (including, as annexes, Labor Management Procedures (LMP), GBV/SEA/SH Prevention and Response Action Plan, Social Assessment (SA) for Ethiopia only, e-waste management plan, and capacity assessment and relevant action plan)
2. Environmental and Social Commitment Plan (ESCP)
3. Stakeholder Engagement Plan (SEP)
4. Resettlement Framework (RF)
5. Security Risk Assessment and Management Plan (SRA/MP) for Ethiopia only

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

The issue to be addressed in the ESCP among other will include:

- Establishment of a functioning E&S risk management implementation arrangement including hiring of qualified staff;
- Implementation of the Project activities in compliance with the applicable Environmental and Social Standards;
- Preparation of site specific environmental and social risk management plans following the requirements of the ESMF;
- Development of site-specific Resettlement Plans (RP) including livelihood restoration measures as required in line with the national law and ESS5;
- Allocating adequate budget for environmental and social risk management activities; and
- Compliance monitoring and reporting;



**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

14-Jul-2023

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#### **VI. APPROVAL**

Task Team Leader(s): Timothy John Charles Kelly, Eric Raoul Philippe Dunand, Lavanya Choudhary

Practice Manager (ENR/Social) Iain G. Shuker Recommended on 07-Jun-2023 at 11:53:10 EDT