

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC14538

**Date ISDS Prepared/Updated:** 29-Sep-2015

**Date ISDS Approved/Disclosed:** 15-Oct-2015

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Nicaragua	<b>Project ID:</b>	P155235
<b>Project Name:</b>	Caribbean Regional Communications Program (CARCIP)-Nicaragua (P155235)		
<b>Task Team Leader(s):</b>	Elena Gasol Ramos		
<b>Estimated Appraisal Date:</b>	05-Nov-2015	<b>Estimated Board Date:</b>	02-Feb-2016
<b>Managing Unit:</b>	GTI09	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Information technology (70%), Telecommunications (30%)		
<b>Theme(s):</b>	Regional integration (50%), Technology diffusion (50%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	21.00	Total Bank Financing:	18.45
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			2.55
International Development Association (IDA)			18.45
Total			21.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

Increase access to regional broadband networks and advance the development of an IT and IT enabled services (IT-ITES) industry in Nicaragua and in the Caribbean Region.

### C. Project Description

30.64. The design of the proposed Project directly applies lessons learned from the implementation of CARCIP Phase 1, as to the very limited availability of training institutions and high cost of specialized courses both domestically and within the region. difficulty of accessing certifications and

training courses in the region, and accessing those that are available at a reasonable price. CARCIP Nicaragua will therefore follow the model implemented under the Mexico IT Industry Development Project, which created the NGO Mexico FIRST for developing the IT-ITES skills and certification program. The project showed how creating an institution focused on internationally recognized certification, mentoring and ‘training the trainer’ programs, to cater for the needs of the industry, facilitated the design of courses and skill development programs for niche specializations in areas relevant to the needs of key offshoring markets and local industry demand. MexicoFIRST successfully overcame the problems of high costs and access to specialized training by aggregating demand across the country in order to lower unit costs. CARCIP Nicaragua would do the same by creating a similar institution to aggregate demand regionally (Caribbean FIRST). A similar body will be created for CARCIP countries to benefit from this model. The second lesson learned in this project is that the operation needs to be led or at least needs to have a high participation of the main ICT industry stakeholders in the country.

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

The connectivity infrastructure will be deployed in the Caribbean Coast of Nicaragua. There exist several areas within this Region that could be categorized as environmental sensitive areas. There also exists several indigenous communities in the Departments of the Caribbean Coast that could be affected by the deployment of infrastructure, and includes the following departments: RACCS (Region Autonoma de la Costa Caribe Sur), RACCN (Region Autonoma de la Costa Caribe Norte), the special area of the High Wangky in the department of Jinotega, and five municipalities of Rio San Juan.

The project area is a vast territory with lack of roads, infrastructure and limited access to basic services (water, sewer, electricity, and telephone) and mainly collective transport. In many areas, the only available routes and have been used by communities for generations have been the rivers, as most of them sit on the banks of rivers or coastal areas.

The project plans to deploy two different types of telecommunications infrastructure depending on the necessities of the areas. The deployment of infrastructure could have very specific impacts, which are expected to be low to moderate, on the environment, areas of natural reserves or forests, are, low to moderate intensity. The team is studying all the possible situations for mitigating the possible negative effects in these areas from the deployment of the infrastructure.

Infrastructure 1. Tower: The towers include shelter telecommunications equipment and there exists two types, self-supported and braced. The team has estimated that for being able to cover the population estimated the operator should install 16 towers.

Infrastructure 2. Deployment of Fiber Optic. There exists two methods for the deployment of the infrastructure, aerially through existing electric posts, using the existing power lines of the country wherever is possible; and through the deployment of underground cable. The team has estimated that a total length of 405 km of fiber optic would be needed for covering the communities expected in the project.

The exact location of the works that are going to be done have not been determined due to the fact that the only requirement that will be specify in the bid documents is the communities that need to be covered and have service. The specific technology to be used and the location of the infrastructure will depend on the contractors choice

The construction of the planned infrastructure could involve sensitive or critical environmental areas (eg national parks, forests, wetlands, etc). The deployment of the infrastructure could also affect some properties of the soil (eg, crops) and private infrastructure (fences, houses, etc.). Environmental measures to prevent, mitigate and / or compensate potential negative impacts should be included in the Environmental Management Plan (PMA) of each subproject, as well as measures to mitigate possible effects on resettlement should be included in the resettlement plan.

The specific location of the subprojects has not been specified. Regarding this issue Environmental and Social Frameworks should be developed during the preparation stage of the project, according with the Bank's safeguards requirements.

Measures to mitigate and / or compensate for negative impacts on the environment, housing, productive assets and economic activities must be included in the respective plans (ESMP and RAPs) once the specific subproject is specified by the contractors that deploys the infrastructure. Additionally, the subprojects should comply with the national and regional environmental and social regulation, and the Bank's safeguards policies.

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

The borrower has previous experience with World Bank safeguards policies (Nicaragua Rural Telecom – P129264). After the Mid Term Review of the previous project the PCU implement some environmental and social management tools in order to comply with the Bank's safeguards policies. The PCU's Technical Safeguard Team (TST) will prepare the Environmental and Social Management Framework (ESMF), which will include the specific Frameworks in order to fulfill with the Bank's Safeguard Policies: Environmental Management Framework (EMF); Resettlement Management Framework (RMF); and Indigenous and Afro-descendent People Framework (IAPF), following the Bank's requirements for this type of projects although the exact location of the infrastructure is unknown at this stage, These Frameworks should be applied during the implementation of all the activities under CARCIP-Nicaragua project.

The TST of the PCU will support the environmental and social management during the CARCIP implementation. This team includes 3 environmental specialists, and 2 social specialists. This mentioned team has already worked in the implementation of the previous project, Rural Telecom (P089989) and has proven enough experience on Bank's safeguards policies and in the application of the national and regional environmental and social regulation and policies.

As mentioned before, the ESMF, including the safeguards Frameworks, will be developed during the project preparation and will be approved and disclose by the Bank and TELCOR, in compliance of the Bank's information and disclosure policy.

Finally, as mention in the project description, Component 5, the Project also include resources to strength the capacity building of the UCP-TELCOR safeguard team, in order to assure the proper environmental and social management during the project implementation.

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

Marco Antonio Zambrano Chavez (GEN04)

Ricardo Jose Castellon Zamora (GSU04)

## II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered because the Project will finance (Component 1), works (fiber optic, and others) that potentially will affect the natural environment, especially sensitive areas in the Caribbean Coast of Nicaragua. These potential negative impacts are not significant and the mitigation measures are easy to know and to implement. In this regards the project will be classified as Category B according with the Policy. In order to comply with the Bank's safeguard policy, an Environmental and Social Management Framework (ESMF) will be develop by the environmental and social UCP-TELCOR team, in order to be applied during the project implementation. This instrument is based in the previous project experience in regards of the Bank's safeguards compliance.
Natural Habitats OP/BP 4.04	Yes	This policy is triggered because the construction of fiber optic or transmission towers in the Caribbean Coast Region potentially will cross sensitive or critical areas (national parks, protected areas, and others) that could be affected.
Forests OP/BP 4.36	No	This policy should not be triggered since the project activities are not expected to impact forested areas, forest dependent communities or involve changes in management of forests.
Pest Management OP 4.09	No	This policy should not be triggered given that the project's activities don't include the use of pesticide.
Physical Cultural Resources OP/BP 4.11	Yes	The construction of fiber optic requires movement of material during the construction. In this regard, potentially during the excavation the project will affect physical, cultural, and/or archeological sites. Consequently Safeguards Policy OP 4.11 is triggered. An Environmental and Social Management Framework (ESMF), will be drafted by the PCU with the safeguards specialists supervision to avoid, prevent or mitigate potentially adverse effects on physical cultural resources will be documented. The Nicaraguan Cultural Heritage protection is guaranteed at the legal level by Decree 1142 "Law on Protection of Cultural Heritage of the Nation," which contains rules on conservation to paleontological, archaeological, historical and artistic

		heritage nationally. The contractors must follow the procedures of the law and report findings to the Nicaraguan Institute of Culture.
Indigenous Peoples OP/BP 4.10	Yes	<p>Some indigenous groups (misquitos, mayagnas, others) live in the Caribbean Cost of Nicaragua, who will be beneficiaries of the Project. In this regard, the OP/BP 4.10 is trigger.</p> <p>The project is not directed exclusively to an indigenous target population, which has seen fit to strengthen the project design to the preparation of a Indigenous Peoples Planning Framework to ensure that all project activities are implemented in compliance with the principles and procedures set out in BP / OP 4.10; with a prior, free and informed consultation of culturally appropriate indigenous communities and to stay throughout project execution.</p> <p>The framework has defined the specific process for consultation and information with indigenous peoples and local and regional authorities as there could be throughout the project cycle from site selection, construction works and delivery mitigation of potential environmental effects or involuntary resettlement. The project will maintain an existing complaint system to accommodate problems caused by the works, with emphasis on vulnerable groups such as, youth, women, elderly people among others.</p> <p>The PCU within TELCOR has experience working with indigenous peoples and Afro-descendants in recent projects. The team has shown good ability to communicate with them and coordinate with their authorities. TELCOR has already made consultation sessions in the Región Autónoma del Caribe Sur (RACCS) and in Región Autónoma del Caribe Norte (RACCN). No consultation will be done in Rio San Juan as there are no indigenous communities.</p> <p>The operators that will execute the works (installation of towers and laying of fiber optic networks), as well as other organizations including government agencies contractors will be informed about the requirement of the Law in these Regions regarding the use of indigenous lands among other issues.</p>

		In order to comply with this Bank's safeguard policy a Indigenous Peoples Planning Framework will be include in the ESMF, to be applied during the project implementation.
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The construction of Fiber Optic included in the project, potentially will affect land, house, crops, others, during the project construction. In this regard, the OP/BP 4.12 is trigger.</p> <p>Among the potential adverse impacts arising from Component 1 are: Infrastructure Connectivity; by way of displacement, resettlement or involuntary deprivation of lands, which could result in the following: loss of housing, loss of assets or access to assets, loss of income sources or means of subsistence (croplands) whether the affected persons must move to another location or not, the effect on the social and economic conditions of affected households.</p> <p>In order to comply with this safeguard policy, the ESMF includes an Resettlement Policy Framework. Social units to be eligible to be considered affected and consequently to compensation, must give the test subjects:</p> <p>a) Earlier rights sufficiently demonstrate that the social unit has been affected in their rights of possession of the property, regardless of the type of tenure. Indigenous and Afro-descendent communities on the Atlantic coast, the Community authorities guarantee the right of ownership over the land.</p> <p>b) When you have accurate information proving that it is owned by the social unit affected.</p>
Safety of Dams OP/BP 4.37	No	This policy should not be triggered given that the project will not support the construction or rehabilitation of dams.
Projects on International Waterways OP/BP 7.50	No	<p>This policy should not be triggered given that the project will not affect international waterways as defined under the policy.</p> <p>The policy is not triggered because the project works to be built in the department of Rio San Juan (border with Costa Rica) will be located in the northern part of the river, in the territory of Nicaragua. Similarly, work on the special area of the High Wangki in Jinotega or on the banks of the Coco River (border with Honduras) will be built on the south side in territory of Nicaragua.</p>

Projects in Disputed Areas OP/ BP 7.60	No	This policy should not be triggered given that the project will not affect disputed areas. The project works to be built in the department of Rio San Juan (border with Costa Rica) will be located in the northern part of the river, in the territory of Nicaragua. Similarly, work on the special area of the High Wangki in Jinotega or on the banks of the Coco River (border with Honduras) will be built on the south side in territory of Nicaragua.
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### III. SAFEGUARD PREPARATION PLAN

- A. Tentative target date for preparing the PAD Stage ISDS: 28-Sep-2015**
- 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:**
- Safeguard studies are currently underway.

### IV. APPROVALS

Task Team Leader(s):	Name: Elena Gasol Ramos	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 30-Sep-2015
Practice Manager/ Manager:	Name: Boutheina Guermazi (PMGR)	Date: 15-Oct-2015

<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.