



**The World Bank**

Additional Financing for the 4th Phase of the Comoros Regional Communications Infrastructure Program (P166737)

# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 28-Jun-2018 | Report No: PIDISDSA24380



**BASIC INFORMATION**

**A. Basic Project Data**

Country Africa	Project ID P166737	Project Name Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program	Parent Project ID (if any) P118213
Parent Project Name RCIP4 - Regional Communications Infrastructure Program - APL 4 (RI)	Region AFRICA	Estimated Appraisal Date 25-Jun-2018	Estimated Board Date 27-Sep-2018
Practice Area (Lead) Transport & Digital Development	Financing Instrument Investment Project Financing	Borrower(s) CREF	Implementing Agency RCIP-4 4th Phase of the Regional Communications Infrastructure Program

Proposed Development Objective(s) Parent

The development objectives of this project, in line with the overall RCIP program, are to support the Recipient's efforts to lower prices for international capacity and extend the geographic reach of broadband networks.

Components

Enabling Environment: promote further regional market integration, sector liberalization (through the award of a second license), and legal and regulatory reforms.

Connectivity: finance Comoros's membership and participation in the FLY cable and provide demand stimulation through advance purchase of capacity, promotion of ISPs and establishing an IXP.

Project management: support to finance project management costs including project coordination, procurement, financial management, monitoring & evaluation, etc.

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	7.00
<b>Total Financing</b>	7.00
<b>of which IBRD/IDA</b>	7.00
<b>Financing Gap</b>	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	7.00
IDA Grant	7.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

1. **The Government of the Union of the Comoros (GoUC) has requested Additional Financing (AF), in the amount of US\$7million, for the Comoros Project under the Fourth Phase of the Africa Regional Communications Infrastructure Program APL4 (RCIP-4) (P118213).** An official request was received on September 25, 2017, which proposes a scale-up and extension of successful activities intended to stimulate demand for connectivity services (sub-components 2.2 and 2.3). AF is also requested to reinforce activities that supports an enabling policy and regulatory environment (component 1) and for project management (component 3), underfunded due to a budget shortfall, owing to exchange rate losses sustained during the first phase of program implementation.

Country Context

2. **The Union of The Comoros (UoC) is located in the Indian Ocean, near the Northern tip of Madagascar.** It is an archipelago composed of four islands – Anjouan, Moheli and Grande Comore, where the capital Moroni is located, and the island of Mayotte (under French administration). The population of the Union (excluding Mayotte) was around 796,000 in 2018. Grande Comore is the largest island and home to about half of the country’s population. Anjouan is the most density populated island, with 575 inhabitants per km2 and a 42% share of the population. Moheli is the smallest and least populated island, with a mere 6% share of the population and 171 inhabitants per km2. The population is predominantly young and continues to grow at a rate of 2.9% per year, outstripping the economy’s current capacity to provide meaningful employment. Based on current forecasts the population is predicted to reach upwards of 1 million by 2028 and to more than double by 2050.

3. **Like other small island states, Comoros faces challenges linked to its geographic location, a scarcity of local resources, the small size of its domestic market, as well as its vulnerability to climate change.** International and internal connectivity is weak and transport costs are high, making it difficult for Comoros to integrate in regional and world markets, but also creating a fragmented internal market.

4. **Poverty remains widespread and Comoros continues to rank among the poorest nations in the world.** According to the 2013-2014 Household Survey, 34% of the population were identified as living below the national poverty line and around 18% as living below the international poverty line (i.e. US\$1.9 per capita per day, based on the Purchasing Power Parity (PPP) exchange rates in 2011). Nearly a fourth of the population was deemed to be living



in a state of extreme poverty. However, poverty rates vary between islands, as well as between urban and rural areas. The highest poverty rates are found in rural areas and on Moheli. Inequality in Comoros is also pervasive, with a Gini-coefficient of 44.9. GNI per capita is a mere US\$840, making it one of the world's poorest countries.

5. **The local economy is characterized by a sizable informal private sector that is dominated by simple retail commerce and subsistence agriculture, and financially fueled by remittances.** A large public sector, including subsidized public utility enterprises, is also a mainstay of the local economy. The formal private sector in Comoros is relatively insignificant in terms of both employment and its contribution to GDP. Writ large, private sector development is constrained by a legacy of weak economic governance and political instability. Most economic activity, in the small and fragmented local market, has also been captured by a narrow community, prompting a sub-optimal provision of public goods and services. The limited local entrepreneurship that has emerged mainly focuses on basic trade and commerce.

6. **The state, although weak in technical capacity, is intrusive and debilitates the development of the formal economy and private sector.** Burdensome or weak regulation adversely affects market entry, exit, trade, and competition. Moreover, the public sector frequently crowds out private sector development. Most sectors in the economy - industry, agriculture, transport, telecommunication, international trade, banking, and non-banking financial services - are subject to extensive state directives and, in many cases, dominated by poorly performing state-owned enterprises (SOEs) that constitute a drain on public resources.

7. **The county's fragile fiscal state creates limited space for investment in critical infrastructure and social services.** The same factors contribute to Comoros' volatile macroeconomic outlook. Economic growth has recently slowed down to a mere 1% and unemployment is estimated to be 19.2%. Low economic diversification and competitiveness have contributed to a large and persistent trade deficit, a narrow export base, and a structural dependence on food imports and remittances. Since its independence in 1974, Comoros has experienced recurrent political crises and inter-island tension. Resulting instability has contributed to a long-term decline in real income per capita. This environment has also limited the government's capacity to generate revenue and subsequently its ability to deliver quality services to its citizens.

#### Sectoral and Institutional Context

8. **While the telecommunications sector in Comoros offers basic communications services, and has more than doubled in size since the start of the RCIP-4 program, prices remain unaffordable for most Comorians and the sector's overall performance is among the worst in the region.** Comoros is currently ranked 164 out of 176 countries in terms of ICT sector development, according to the International Telecommunication Union's (ITU) ICT Development Index (IDI). According to local operators, mobile coverage for 2G/3G and 4G services is upwards 80% and 79%, respectively (based on population). Mobile penetration was 74.6% in October 2017, based on the number of registered SIM cards, but probably only around 50% based on unique subscribers. However, in terms of pricing, Comoros is the among the worst performing in the region. Ranking second to last, the cost of a typical basket of calls is equivalent to around 14% of GNI per capita. Comoros's broadband services are also among the most expensive in Africa, with mobile broadband costing 14.5% and 18.2% of GNI per capita for 500MB and 1 GB, respectively. Internet penetration is estimated to be a mere 5.1% for households and 7.9% in terms of overall access by Internet users, according to ITU (figures from June 2017), concentrated in urban areas. By comparison, the Seychelles and Mauritius have a broadband penetration rate of 57.9% and 53.2%, respectively.

9. **A legacy of state monopoly, poor competition and weak regulation continues to drive poor sectoral performance, high costs and poor service delivery.** Like many small islands developing states (SIDS), Comoros faces



challenges in terms of connectivity due to its remote location and small economy of scale. However, it is the absence of competition and weak regulation that best explains the failure of the market to drive down prices and why other islands states in the region continue to outperform Comoros on key ICT indicator. Until 2015, Comoros was one of only a handful of countries to have retained a monopoly in the ICT sector.

10. **The passage of a Communications Act in 2014, and the licensing of a second operator in 2015, has introduced some competition, which has helped lower prices and expand the number of subscribers, especially for mobile broadband services.** A consortium, led by Telma (Madagascar), obtained a license in December 2015 and launched services one year later, capturing over a quarter of the market within six months. In an economy otherwise dominated by state-owned enterprises (SOEs), and with a legacy of little to no competition, the telecoms sector is now experiencing private sector-led growth for the first time.

11. **International connectivity has been improving, but there is still limited competitive pressure to take advantage of lower wholesale prices, which leave retail customers better off.** The landing of the international EASSy cable, which became operational in May 2011, has boosted international connectivity. This prompted a decrease in wholesale prices for international bandwidth, which has started to benefit customers. Nevertheless, Comoros' broadband services still remain among the most expensive in Africa. The construction of the FLY-LION3 cable, due to be completed in 2018, will enhance international connectivity further. The new cable will establish links with: (i) the existing EASSy cable in Comoros; (ii) the LION-2 cable in Mayotte; (iii) the LION-1 cable and the EASSy cable, via the Madagascar domestic backbone network; as well as (iv) the inter-island network, which links Moheli, Anjouan and Grand Comores, and also joins with the EASSy cable via a terrestrial link between Chindini and Volovolo on Grand Comores; and (v) the AVASSA cable linking Anjouan to Mayotte.

12. **The incumbent, Comores Telecoms (CT), has undoubtedly lost market share, following the introduction of competition, and continues to perform poorly yet resists privatization.** CT is operating with both unsustainable levels of staff and debt. Until a recent change in top-level management, in February 2018, CT continued to resist restructuring and privatization. Initial attempt to privatize CT were called off in 2014, when the National Assembly got cold feet over the likely job losses that would be necessary to make the company's sale viable. Moreover, until late 2017, CT was operating without a license. It is, however, now taking steps to pay its license fee through a series of installments to the Government. With its investment in the Chinese-financed AVASSA network, CT has also taken on unsustainable levels of debt, reducing its attractiveness to potential investors. Additional financial liabilities may also be associated with a recent corruption scandal, which embroiled its former Director General.

13. **The failure to privatize the incumbent operator has also left the Special Purpose Vehicle (SPV) created to manage and market international cable connections, Comoros Cable (CC), as a fully state-owned entity.** It has not diversified its shareholding to allow for private sector buy-in. It is failing to be transparent by refusing a reference interconnect offer (RIO), and is currently spending beyond its budget. Collectively, these issues create market inefficiency, prevent fair market competition and open access. Meanwhile, regulatory gaps also remain in relation to areas such as digital finance, e-commerce, cybersecurity and data protection. Despite the fact that the 2014 Electronic Communications Act liberalized Comoros's telecommunications market there are still no internet service providers (ISPs) that are independent of the three main operators. Furthermore, the tax burden levied on the ICT sector is prohibitively high, which may dissuade further foreign investment – most notably, the proposed investment by the International Finance Corporation (IFC) in Telma Comores.

14. **Despite these challenges, the Government does recognize the transformational role that the diffusion and uptake of information and communication technologies (ICT) can play in:** (i) reducing the adverse effects of distance,



experienced by island economies such as Comoros; (ii) supporting market integration, both domestically and regional, as well as inclusion in the wider digital economy; (iii) fostering sustainable development and economic growth through its potential to increase productivity, service delivery, access to information and innovation. Development of a domestic digital economy has been highlighted as a key priority in the *National Growth and Sustainable Development Acceleration Strategy*, with ICT identified as a strategic sector with a catalytic effect on other critical sectors such as tourism and agriculture. This prompted the Government to commission a ten-year *Digital Development Strategy (Comores Numérique): 2018-2028* (published in March, 2018, in draft form), which points to the benefits of increased usage of ICT technology by government, businesses and the public - particularly in terms of stimulating economic growth. In the draft strategy, the Government also articulated its commitment to foster a more vibrant local ICT industry that is unconstrained by geography, available resources and the size of the domestic market.

15. **The Government is yet to leverage digital applications that could lay the foundation for more inclusive, accessible and effective government.** In the United Nations eGovernment Index 2016, Comoros ranked 176th out of 188 nations, in terms of the eGovernment Development Index, and last (188th) in the e-Participation Index, pointing to a high degree of exclusion of its citizens. The draft *Comores Numérique* Strategy has set targets for increasing this ranking and moving more government services online.

### C. Proposed Development Objective(s)

Original PDO

16. **The development objective of this Project, is in line with the overall RCIP program:** to support the Recipient's efforts to lower prices for international capacity and extend the geographic reach of broadband networks.

Current PDO

17. **The PDO for the AF sought remains unchanged.** Increasing connectivity remains the overarching aim, with new activities seeking to boost existing demand-side market interventions, under current Component 2. New activities proposed are in line with the theory of change articulated in the original Project Appraisal Document (PAD). They leverage the advance purchase of bandwidth to supply new target user groups with subsidized connectivity and digital tools, with the overall goal of encouraging increased uptake of related services that can help drive down market prices.

Key Results

18. **The results framework has been updated to accommodate the new activities, market evolution and the extended project timeframe.** New indicators are proposed in relation to the use of digital technologies in government, which also lay the foundation for more inclusive, accessible and effective government. Targets for several existing indicators have also be revised upwards to reflect the addition of new beneficiaries under the *demand-stimulation program*, as well as the natural market evolution that is expected during the course of the extended program. The original closing date was extended from June 31, 2018, to December 31, 2019, and a further 6-month extension is being requested. A few indicators have also been marked for deletion, as they reflect older technologies that are no longer prioritized.

19. **In sum, the following changes have been made:**

(a) **Two new results indicators and targets have been added to reflect new activities:**

(i) *Number of E-Systems connected to an interoperable Government-administered digital platform.* The baseline was 0, as of June 2018. The new target is 3 – including government email, cybersecurity arrangements and a new e-Visa system.

(ii) *Number of female beneficiaries assisted by the co-working space.* The baseline was 0, as of June 2018. The new target is 100. The total number of beneficiaries will be measured, along with share whom

are female. Beneficiaries are defined as unique users of the space, trainees and event attendees, as well as mentees. Two PDO results indicators are marked for deletion as they are considered technologically outdated: (a) Fixed-line internet subscriptions; (b) Fixed mainline subscriptions. In addition, one further intermediate indicator is proposed for deletion – fixed line broadband subscribers – for the same reason.

(b) **Given the extension of the Project closing date and the addition of new financing, an increase in the target for certain indicators is merited, where existing targets have been exceeded:**

(i) *The access rate to internet services, based on subscriptions per 100 inhabitants* – the original target was 7.56; actual rate was 31.8%, as of February 2018; and the new target is 37.7% by 30 June 2020;

(ii) *The total number of internet subscriptions* – the original target was 66,030; the actual number was 253,200, as of February 2018; and the new target is 300,000. To accommodate this, the subsidiary target for mobile internet subscribers is also raised to 295,000;

(ii) *The total number of mobile subscribers* – the original target was 459,000; the actual number was 530,000, as of February 2018; and the new target is 582,000. Consequently, the number of direct project beneficiaries, measured as the rise in individual subscriptions to ICT services since the project began, is also raised – the original target was 215,000; the actual number was 313,562, and the new target is 365,562.

Intermediate targets that are raised include: (a) total broadband internet subscriptions (from the original target of 66,030 to a new target of 300,000, or 37.7 per 100 inhabitants); (b) total mobile broadband subscriptions (from 49,500 to 297,000); and (c) broadband subscriptions as % of all internet subscriptions (from 12.3% to 50%).

20. **Direct project beneficiaries still include all users, who are connected to the existing and planned communications network in Comoros.** These include telecommunication services and internet users, as well as institutions such as schools, universities, hospitals, banks, businesses, and government. Indirect beneficiaries include the wider population, since increased communications capabilities, at affordable rates, have positive externalities for all in terms of creating an improved business environment.

**D. Project Description**

21. **The overarching RCIP project framework was conceived as a multi-country effort, focused on closing the connectivity gap in Eastern and Southern Africa** and fostering regional integration of communications infrastructure, through a series of demand- and supply-side interventions. A customizable menu of options was developed, from which individual Governments could choose and adapt intervention appropriate to their country context. The original US\$22 million program, which became effective in November 2013, comprises three core components, as shown in the table below:

*Table 1. Existing project components under RCIP-4*

<b>Component 1: <i>Enabling Environment</i></b> (US\$3.3 million):	
Promoting further regional market integration, sector liberalization and legal and regulatory reforms. Assisting the government with the submarine cable FLY-LION 3, including environmental studies, feasibility studies and demand analysis.	
<b>Component 2: <i>Connectivity</i></b> (US\$17 million):	
2.1.	Financing Comoros’s membership and participation in the FLY-LION 3 cable consortium;
2.2.	Providing demand stimulation through the advance purchase of capacity for target beneficiaries;



2.3. Additional measures to stimulate demand: promoting the creation of new Internet Service Providers (ISPs) and establishing an Internet Exchange Point (IXP).

**Component 3: Project management** (US\$1.5 million plus US\$0.2m contingency):  
Supporting project management, including project coordination, training, equipment, procurement, financial management, audit monitoring and evaluation, etc.

22. **Approval for AF is sought following an official request by the GoUC received on 27 September 2017.** A total of US\$7million is requested, of which US\$2million is intended to cover exchange rate losses encountered since the grant was approved in 2013, due to the devaluation of the Special Drawing Right (SDR) against the US\$. These funds will allow the Project to finalize and reinforce certain activities initiated under the current program, notably on Component 1. The remaining US\$5million is for scale-up and extension of activities undertaken under sub-components 2.2 and 2.3. In particular, the AF will enable the project to extend to central government some of the benefits of subsidized bandwidth and computer equipment currently being provided to local government. This funding will also extend the work of the current PIU, to support the implementation of new activities before the new closing date of June 30, 2020.

23. **The project objectives and components remain unchanged under the AF, however, individual activities under the components will be scaled up and new activities added.**

24. **Component 1: Enabling Environment – originally US\$3.3m.** An additional US\$0.7m is requested, which will support the provision of technical assistance (TA), training and capacity building (under sub-components 1.1 to 1.2) geared towards resolving the following pending market issues:

- (a) Achieving full interconnectivity amongst operators, including the introduction of infrastructure sharing principles;
- (b) Providing options for restructuring of CT and Comores Cables;
- (c) Supporting the authorization of additional ISPs and closed-user group networks; and
- (d) Creating efficient and equitable tax policy in the ICT sector.

The same tools will be used to support new activities, related to expanding Government connectivity and digitization, detailed further below. The latter will, *inter alia*, include:

- (a) regional benchmarking and study visits, which allow the GoUC to leverage regional best practice in government digitization.
- (b) tailored TA will also help the GoUC to create an enabling environment for initial government digitization, including developing relevant regulation, policy guidelines and governance frameworks, in areas such as cybersecurity, supporting interoperability and streamlining of business processes in line with best practice.
- (c) workshops will also seek to convene key stakeholders – allowing Government to agree on a joint approach or ‘roadmap’ for the future deployment of more advanced e-service applications (such as identity management).
- (d) targeted training will be provided to staff, who are set to manage new applications, to bridge existing knowledge gaps

26. **Component 2 (Connectivity):** US\$17m in original funding is allocated to this component. An additional US\$5.5m is requested, which will be used to fund scale-up of sub-components 2.2 and 2.3, which focus on demand-



side interventions. New activities will support wider uptake of digital services and applications, particularly within central government ministries, department and agencies (MDAs) and the private sector:

(a) **Component 2.2: Demand stimulation for targeted beneficiary institutions:**

- i. **Bandwidth for central government from regional cables (US\$1.4m).** Advance purchase of international internet bandwidth will be expanded to cover an additional target user group - central government MDAs - acquiring an indefeasible right of use for internet connectivity for a minimum of five years. In the short-term, this subsidy will provide an anchor tenant, encouraging private sector investment in the expansion of connectivity services offered. However, it will also support the introduction of new digital government applications, detailed below, which will sustain broader long-term demand.
- ii. **Governance of the .km country code top-level domain (ccTLD) (US\$0.2m).** TA will be provided, allowing the domain to be formally transferred to the Regulator, ANRTIC. Until the arrival of competition, CT was the de facto manager for the .km domain. Greater use of the .km ccTLD, together with the development of a local IXP, will allow the country to manage more traffic locally, reducing the costs of expensive transit of traffic through Europe, and making connectivity more affordable for local consumers. The .km domain is not currently in wide use, but with the activation of a .km government email server, and the launch of more commercial ISPs and .km registrars, it should grow significantly.
- iii. **Government network, data center and eMail service (US\$1.5m).** A dedicated government network, email server and data center will be introduced, as a first step, to digitize internal and external official government communication, using the .km domain. This basic digital infrastructure will form part of an interoperable and secure foundational e-platform, that leverages pre-requisite technology such as an enterprise service Bus (ESB) and web services (APIs). Introducing official email will reduce the risk of fraud and corruption, as well as data loss, associated with the current use of personal webmail. A new data center will safeguard government data storage, by providing a back-up facility. A recent fire, destroying the Union Treasury and the government central data center, illustrates the urgency of securing governmental data through digitization.
- iv. **Cybersecurity (US\$0.5m).** Foundational cybersecurity tools and processes will be introduced, such as establishing a regional Cybersecurity Emergency Readiness Team (CERT), supported by awareness-raising and cybersecurity training for government staff under Component 1. This will protect newly digitized government services and data, safeguarding nascent digital government infrastructure introduced, from cybercrime and fraud etc. It will also help boost trust in digital service, such as e-commerce, which can contribute to the growth of the digital economy. Initiatives implemented will be underpinned by regional information-sharing and informed by regional best practice.
- v. **E-Visa (US\$ 1.4m in AF).** TA, as well as software and hardware, will be provided to introduce a basic e-Visa system that supports online visa applications, digitized records and processing. Business process simplification will be supported to facilitate automation. To date, no governmental e-services have been introduced in the UoC, contributing to a large knowledge gap. This activity is thus proposed as a 'showcase project', encouraging wider application and uptake of digital tools within government, informing strategic thinking and application of best practice. This pilot project features in the Comoros Numérique strategy and is viewed as supporting a critical sector (i.e. tourism). Moreover, the activity is in-keeping with the regional nature of the overall programmatic framework, by facilitating regional travel, trade and connectivity.

(b) **Component 2.3: Additional measures to stimulate demand for ICT services, as well as private ICT sector development**

- i. **ICT innovation and entrepreneurship: Co-working space (US\$0.5m).** A dedicated co-working space will be created that provides a conducive environment for ICT business innovation and training. Early planning and scoping for this activity was carried out under the original program. Premises were identified, but implementation was thwarted by a lack of funding. The main co-working space would be located in Moroni, with subsidiary activities (e.g. website development competitions and mentoring schemes) rolled out in Anjouan and Moheli. Related activities will be closely coordinated with the private sector development program (CIDC) - an investment lending program currently at the PCN stage - which will provide much broader support for entrepreneurship and innovation. While the team recognizes the need for more sustained support, including start-up incubation and access to financing etc., the co-working space proposed is seen as a critical first step in addressing the existing skills gap – seen as a pre-requisite for innovation.
  
- (c) **Component 3: Project Management – originally US\$1.5m, with US\$0.2million in contingency funding:** Current funding for project management (PM) is set to be fully utilized by the original closing date (June 30, 2018). US\$0.8m is therefore requested, which will be channeled towards supporting the PM of activities implemented using the AF, including additional training. This AF will replenish the contingency that was used up due to devaluation of the SDR. Efforts will also be made to downsize the current staff of the Project Implementation Unit (PIU), and/or to share positions with other IDA-funded programs, to reduce overhead costs. For example, a reduction in the number of focal points for the Demand Stimulation Program is proposed, as well as the elimination of two other positions. A new position for a technical specialist on government applications is proposed, who would liaise closely with government MDAs.

## E. Implementation

### Institutional and Implementation Arrangements

28. **No changes are proposed to the fiduciary, management, procurement or institutional arrangements in place, which have generally been working well, though some synergies with other Bank PIUs are being sought.** The Unit for follow-up of Economic and Financial Reforms (CREF), within the Ministry of Finance (MoF), will remain the responsible agency, supported by the PIU (now solely the PIU for RCIP-4, since the completion and closure of the ABGE program, in 2016). The CREF will continue to work closely with the Ministry of Posts and Telecommunications, Promotion of New ICTs, and Transport and Tourism (MoPTPTT) and the Regulator (ANRTIC) - with both continuing to provide technical input. However, given the pan-governmental nature of some of the new activities, such as e-Visas, it is suggested that the GoUC expand the membership of the project steering committee to include additional line ministries, such as the Ministry of Interior. This Ministry has oversight for e-Visas as well as some of the beneficiaries under the demand stimulation program.

29. **Both PDO and Implementation Progress, as well as the overall safeguards rating are judged as “satisfactory”.** The safeguards rating was revised upwards, following the completion of the RAP and ESIA/ESMP, as well as the appointment of a new PIU Coordinator who was able to designate responsibility for safeguards. To date, safeguards works had been contracted out, in the absence of a dedicated safeguards officer. It is, however, possible that the RCIP-4 PIU will take on additional operational responsibilities under the new IDA window, allowing it to expand and hire a full-time safeguards.



**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

In Comoros, the project has a national level coverage, reaching out to both rural and urban areas.

**G. Environmental and Social Safeguards Specialists on the Team**

Paul-Jean Feno, Environmental Safeguards Specialist

Peter F. B. A. Lafere, Social Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Environmental Assessment was triggered for the original project because of construction work on undersea cable and construction of cable landing station. An ESMF and an ESIA/ESMP had been prepared for the original project and cleared by the Regional Safeguards Advisor
Performance Standards for Private Sector Activities OP/BP 4.03	No	Not relevant
Natural Habitats OP/BP 4.04	No	Not relevant as no construction work is planned under the additional financing.
Forests OP/BP 4.36	No	Not relevant as no construction work is planned under the additional financing.
Pest Management OP 4.09	No	Not relevant as no construction work is planned under the additional financing.
Physical Cultural Resources OP/BP 4.11	No	Not relevant as no construction work is planned under the additional financing.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous peoples in the area.
Involuntary Resettlement OP/BP 4.12	Yes	A small number of squatters and a team of Chinese engineers was displaced by the construction of the landing station under the Original Project. A RAP was prepared and approved by the RSA, with signed statements from all those affected. No new construction work is planned under the additional financing.
Safety of Dams OP/BP 4.37	No	Not relevant as no construction work is planned under the additional financing.

Projects on International Waterways OP/BP 7.50	No	Not relevant as no construction work is planned under the additional financing.
Projects in Disputed Areas OP/BP 7.60	No	This was triggered under the original project because a new cable was partially financed between Comoros and Mayotte, whose status is disputed between the Comorian and French authorities. However, no new construction work is planned under the additional finance, so this is no longer triggered.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

No major negative impacts are expected from the activities proposed to be funded under the RCIP4 additional financing.. There were some localized potential environmental and social impacts associated with the infrastructure components of the existing project, particularly associated with: (i) the linear excavations for burying fiber-optic cable (alternatively overhead stringing of the cable) and civil works associated with building of national terrestrial backbones, rollout of rural networks, and of the landing stations, and (ii) in Comoros, temporary perturbation of marine ecosystem during the civil works of submarine cable. The small environmental and social disturbances caused by the laying of the cable are not expected to have any perceptible effect on the quality of the coastal waters of the Indian Ocean or on marine species or habitats. For the cable and associated equipment onshore, there may be some temporary, low to moderate environmental and social impacts including localized impacts to near shore marine life and local fishermen's activities (e.g., access to fishing areas). In addition, the activities proposed to be funded under RCIP4 could involve land acquisition for or loss of access (even temporarily) to some socioeconomic assets during the construction of telecommunications infrastructure such as ducts for laying fibers optic networks or access roads. No further construction work is planned under the Additional Financing.

Considering the nature and magnitude of potential environmental and social impacts of the activities proposed to be funded under the original RCIP4 project, the Project is socially and environmentally classified as a Category "B". Activities supported by the proposed operation are expected to have some site-specific adverse environmental and social impacts; therefore, the following Safeguards policies are triggered: OP/BP 4.01 (Environmental Assessment); OP/BP 4.12 (Involuntary Resettlement) and OP/BP 7.60 (Projects in Disputed Areas).

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: In light of the provisions made under the project for environmental and social management, potential indirect and/or long term impacts due to the planned activities are not anticipated.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.  
 N/A

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.

The environmental and social classification of the proposed RCIP4 is Category B. At the initiation of the original project, the borrower prepared an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Frameworks (RPF) (consistent with both the national laws and regulations and World Bank operational safeguards policies, namely OP/BP 4.01 and OP/BP 4.12 respectively) and a Resettlement Policy Frameworks (RPF). The ESMF indicates the basic principles and procedures to be followed by the Government to: (i) assess the environmental and social impacts; (ii) outline the environmental management procedures and provide the necessary tools to mitigate the impacts; and (iii) integrate environmental and social considerations into each phase of the project cycle once the clear footprint of the project is known prior to implementation. The ESMF provides both an Environmental and Social Screening Form (ESSF) and Environmental and Social Check-list to be used by the borrower to define subproject categories and the details level of the appropriate safeguards instrument. The ESMF also provides Environmental and Social Clauses (ESC) for inclusion in bidding documents and contractors' contracts, payment of which will be subject to the effective implementation of these clauses by the field engineer. Implementation of these clauses will be monitored by the project Environmental and Social Focal Point (ESFP) of the Project Implementation Unit (PIU). Finally, the ESMF describes the chance-finds procedures to be followed throughout implementation to ensure proper management of any unknown physical cultural resources discovered. Likewise, the RPF sets forth the basic principles and procedures to be followed by the Government during project implementation. It offers a comprehensive socio-economic census that captures gender and other poor and vulnerable groups' issues (including children, handicapped and the elderly), and presents the institutional arrangements, grievance redress mechanism, estimated budget, and monitoring and evaluation approach to be adopted when applying the RPF, as well as a template for preparing a Resettlement Action Plan (RAP), where applicable

Once the final sites were chosen and the specific civil works identified, and depending on the screening outcome, site specific Environmental and Social Management Plans (ESMPs) or Environmental and Social Impacts Assessment (ESIAs) with Environmental and Social Management Plans (ESMP) and/or site specific Resettlement Action Plans (RAPs) for the terrestrial facilities during in line with the RPF were prepared, publicly consulted upon, and disclosed both in-country (on the project sites and newspapers, etc.) and at the InfoShop prior to the physical implementation of the said-activity.

Both ESMF and RPF were cleared by the Bank and publicly disclosed both in Country on December 10, 2012, and at the InfoShop on December 11, 2012. Draft RAPs and ESIAAs were submitted in late 2017 and a final report on 16 March. A public consultation took place on October 9 2017.

The project will be coordinated and supervised by the Unit for follow-up of Economic and Financial Reforms (CREF), within the Vice-Presidency for Finance. The unit for RCIP-4 would be the project implementation unit (PIU). The CREF would also work closely with the regulatory agency, ANRTIC (Autorité Nationale de Regulation Des Technologies de l'Information et de la Communication) on certain regulatory issues as well as with the Ministry of Posts and Telecommunications, Promotion of New ICTs, and Transport and Tourism. The PIU will be responsible for day-to-day project implementation and monitoring of the three components, including all fiduciary aspects, monitoring and evaluation, and safeguards. In this context, the PIU hired a Social and Environmental Focal Point (SEFP ) to ensure the project compliance with the safeguard environmental and social requirements. In the future, it may be possible to hire a full-time safeguards expert if the PIU takes on additional responsibilities for other IDA lending program. Local Government and communities will participate in any consultations, as the case arises, during the preparation of safeguards instruments as well as the implementation of mitigation/compensation measures.

The team has sought expert advice on whether OP/BP 7.60 – on Projects in Disputed Areas, should be triggered. The



information available is that although the Island of Mayotte is an integral Département of France, the Union of Comoros claims sovereignty over it. Since 1974, France has disputed the claim over Mayotte by Comoros. When the Comoros Islands were on the verge of independence from France in 1974, the population of Mayotte voted in favor of remaining under French jurisdiction. Despite the results of the referendum, Comoros asserted sovereignty over Mayotte in its entirety stating that the 1974 referendum was an archipelago-wide vote as opposed to the view taken by Mayotte that the referendum was an island-by-island decision. The claim by Comoros was supported by the predecessor of the African Union, the Organization of African Unity (OAU). The matter was referred to the UN General Assembly which in Resolution 31/4 of 21 October 1976 on the "Question of the Comorian Island of Mayotte" voted in support of the position by Comoros. A more recent referendum in March 2009 led to the same result, with the African Union, again declaring support for the position expressed by Comoros. For its part, France maintains that the island will remain an overseas Département of France for as long as its population wishes for this to be the case. In accordance with OP.7.60, the project team has discussed the issue with both the Comorian government and the Counsellor for Cooperation and Culture at the French Embassy in Moroni (meeting on 11 September 2012, documented in the aide memoire). Both the representatives of the French Embassy in Moroni and the Comorian Government confirmed that they would have no objection to the project and, indeed, that they encourage it to go ahead. Taking this support into account, as well as the nature and objectives of the Project, we consider that that the project is not harmful to the interests of the two claimants. A memorandum to this effect has been prepared for the Country Director to send to the Managing Director through the Regional Vice President as required by OP/BP 7.60. This memorandum was prepared in close collaboration with the Environmental and International Law Unit of the Legal Department (LEGEN). By supporting the project, the Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The ESIA and the RAP, as well as the ESMF and RPF, were carried out following a participatory approach which was based on (i) field visits and (ii) discussions in organized meetings with local communities, local administrative and traditional leaders, and representative of Ministry in charge of Environment and the sector Ministry involved (Telecommunication, Finances and Public Works). During each meeting the scope of the project was discussed, in terms of its economic, social, cultural and environmental impacts. Measures to mitigate its impact and increase its wellbeing were presented to the audiences. During implementation of the proposed operations, the Environmental and social Safeguards instruments (ESIA, RAP ESMP ...etc.) will be prepared through a consultative and participatory process involving all stakeholders at the regional and national levels as well as within local communities. The implementing agency will initiate these public consultations as early as possible and will provide all relevant material in a form and language(s) that are understandable and accessible to the groups being consulted in a timely manner prior to consultation. The ESMF and RPF have been disclosed in the three Islands before appraisal (December 11 2012) and shared with concerned nongovernmental organizations and other development partners.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
09-Oct-2017	09-May-2018	



**"In country" Disclosure**

Comoros

16-May-2018

Comments

Available from PIU office and website

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank

09-Oct-2017

Date of submission for disclosure

09-May-2018

**"In country" Disclosure**

Comoros

16-May-2018

Comments

Available from PIU office and website

**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 (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes





If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

Yes

Provide estimated number of people to be affected 22

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

No

### **The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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

### **All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### **CONTACT POINT**

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#### **Borrower/Client/Recipient**

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