

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC17449

Date ISDS Prepared/Updated: 25-May-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Mali	Project ID:	P159668
Project Name:	Implementing a PPP to sell excess capacity of the SOGEM fiber optic network to improve regional connectivity		
Team Leader(s):	Michel Rogy,Charles Pierre Marie Hurpy		
Estimated Date of Approval:	31-May-2016		
Managing Unit:	GTIDR	Lending Instrument:	IPF
Sector(s):	Telecommunications (100%)		
Theme(s):	Infrastructure services for private sector development (50%), Regulation and competition policy (40%), Regional integration (10%)		
Financing (in USD Million)			
Total Project Cost:	0.61	Total Bank Financing:	0
Financing Gap:	0		
Financing Source		Amount	
Public-Private Infrastructure Advisory Facility		0.61	
Environment Category:	C - Not Required		

B. Project Development Objective(s)

The proposed development objective of this activity is to support SOGEM in designing and implementing an innovative PPP model with a private wholesale operator under a concession contract to sell excess capacity of the SOGEM fibre optic network to improve regional integration through enhanced connectivity between Mali-Mauritania-Senegal.

C. Project Description

The advisers with legal, financial and techno-economical PPP expertise funded by PPIAF will support SOGEM in designing a new concession (the PPP Concession operator de gros) structure and process, drafting the associated documents (draft tender documents, draft concession contract, draft wholesale operator authorization in the three countries), assisting in selecting the private wholesale operator through an international open competitive bidding procedure, and finally supporting SOGEM in launching the related operations.

More specifically, the assignment will be undertaken in three components:

Component I- Preparation of international tender documents for the open access PPP model for the resale of excess capacity on the OPGW network (Setting up the environment for the PPP implementation).

➤(¢ Conducting a due diligence on the recommended ➤(PPP Concession opÃ©rateur de gros ➤((technical, economical, legal and regulatory).

➤(¢ Preparing draft wholesale operator authorizations in the three countries where open access to the excess capacity will be offered.

➤(¢ Preparing draft Memorandum of Understanding (MoUs) to allow connection between CGFO and submarine landing stations in Mauritania and in Senegal.

➤(¢ Drafting the PPP agreement (including a pre-established RIO or wholesale pricing structure, and QOS or SLAs).

➤(¢ Developing pre-qualification criteria and prepare Request for Qualification (RFQ) documentation.

➤(¢ Preparing a Request for Proposal (RFP) document and other supporting documents (project information, bidding instructions, transaction structure, criteria for evaluation of bids, etc).

➤(¢ Preparing a draft briefing note for the OMVS Council of Ministers.

Outputs: (i) due diligence report; (ii) full package of international tender documents (including pre-qualification); (iii) draft briefing note for the OMVS Council of Ministers.

Component II- Assistance in effective implementation of the open access PPP model for resale of excess capacity on the OPGW network (Transaction Implementation).

➤(¢ Setting up of a data room.

➤(¢ Organizing during the pre-qualification phase a potential bidders ➤(conference to discuss and clarify any issues the bidders may have with the project.

➤(¢ Assisting SOGEM/OMVS during the pre-qualification phase including drafting qualification reports.

➤(¢ Assisting SOGEM/OMVS in conducting a transparent and robust bid evaluation process including drafting bid evaluation reports.

➤(¢ Assisting SOGEM/OMVS in conducting negotiations with preferred bidder(s) till signature of the PPP agreement (closing of the transaction).

Outputs: (i) data room set up; (ii) potential bidder ➤(s conference organized; (iii) qualification reports prepared; (iii) bid evaluation reports prepared; (iv) PPP agreement signed.

Component III- Capacity-building and knowledge transfer.

The advisers will also provide training to key SOGEM staff to strengthen their capacity to monitor the performance of the selected private operator as well as recommendations to ensure sustainability.

➤(¢ Detailed presentation of responsibilities of SOGEM with respect to supervising, monitoring and controlling the execution of the PPP contract;

➤(¢ Detailed proposals for inclusion in SOGEM ➤(s staff job description and for recruitment of new staff if deemed appropriate;

➤(¢ Proposals for procedures and tools (e.g. dashboards, template for regular meetings with the wholes ale operator) including meeting simulations.

➤(¢ Proposals for presentation of this new activity in the accounts of SOGEM.

Outputs: (i) capacity-building report (including summary of training sessions); (ii) staff job ToRs; (iii) manual of procedures and tools for the monitoring of the contract execution

The proposed activity leveraging an existing regional electricity infrastructure grid by selling excess

fibre capacity through a suitable business model where the private sector would invest in the active equipment required to transmit telecommunications services on the fibre (the fibre) would become a pioneering project for other countries not only in West Africa where other energy utilities are owning excess dark fibre capacity and are looking for private sector financing of the equipment required to light the fibres as a means to have a stronger impact on the broadband market development compared to simply auctioning off the existing excess dark fibre (see strategic study Phase I). The excess capacity on the SOGEM grid presents three distinctive features of a pioneering project: the existence of regional fibre excess capacity that can be made readily available, an open access connection to international submarine connectivity in Nouakchott (Mauritania) and a major bottleneck in the provision of competitive international connectivity in landlocked Mali. The proposed activity would be a particularly important reference for the other regional electricity regional organization OMVG. Under the OMVG Interconnection Project (P146830) financed by the Bank, one of the ground wires will be equipped with a fibre optic cable (24 pairs) and excess fiber communications capacity will be available for renting to telecoms operators and service providers). It will be also relevant for the OMVS - Hydropower and Energy Infrastructure development project (P147921) under preparation that will interconnect OMVS and OMVG regional networks. Finally the proposed activity will also provide a key building block to inform the WAPP secretariat endeavors to foster the emergence of a regional fiber optic network. Following a PPIAF-funded study conducted in 2007 - which assessed the technical and financial viability of utilizing excess and redundant optic fibre capacity on existing and planned extra-high voltage power transmission Lines of the West African Power Pool (WAPP) for commercial use, the WAPP Secretariat and ECOWAS Commission commissioned between 2008 and 2010 several feasibility studies to identify the communications infrastructure requirements of the Power Pool Companies and to ascertain to what extent fibre on power lines could be leveraged into an international fiber network for telecommunication purposes in the ECOWAS region. More recently, the ECOWAS Commission submitted an application for PPIAF financing aiming at supporting the ECOWAS Commission to improve the framework to enable the private sector to invest in the expansion of communications infrastructures and services in the region. This activity would aim to create greater capacities within regional institutions (ECOWAS, West Africa Telecommunications Regulatory Assembly and WAPP) to improve delivery of regional PPP ICT projects and consolidate regional successes gained so far by individual countries. Besides a regional approach to easing cross-border communications through regulating cross-border/international roaming rates and interconnection arrangements, specific outputs of this activity include developing and adopting an accompanying policy on the use of alternative infrastructure (i.e. power grid, gas pipes, roads and railways) for provision of broadband service.

Partnerships:

- GEEDR : Knowledge dissemination with GEEDR to include fibre optic excess capacity when expanding energy networks and to provide technical assistance to utilities to unleash infrastructure synergies.
- IFC: IFC is seeking to fund alternative private sector business models that are rolling out access to broadband along electricity lines on a wholesale, operator independent/ vendor neutral basis. An example of one of such IFC's investee companies is ITXPar's network in Brazil. ITXPar's network is an alternative to telecom operators looking to optimize costs and reduce investment requirements by acquiring a network right instead of building proprietary networks. In the right hands, with the right structure the fiber optic along regional utilities such as SOGEM is considered as having the potential to transform the adaption of broadband in the ECOWAS region. Some private companies bidding to be selected as the private wholesale operator of the SOGEM fiber optic excess capacity and invest in

the active equipment and the operations of the network are therefore expected to approach IFC for financing.

- WAPP: The proposed activity will also provide a key building block to support the WAPP secretariat endeavors to foster the emergence of a regional fiber optic network. Between 2008 and 2010 the WAPP Secretariat and ECOWAS Commission commissioned several studies to identify the communications infrastructure requirements of the Power Pool Companies and to ascertain to what extent fiber on power lines could be leveraged into an international fiber network for telecommunication purposes in the ECOWAS region.

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

N/A (not applicable)

E. Borrower's Institutional Capacity for Safeguard Policies

N/A (not applicable)

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	No	N/A (not applicable)
Natural Habitats OP/BP 4.04	No	N/A (not applicable)
Forests OP/BP 4.36	No	N/A (not applicable)
Pest Management OP 4.09	No	N/A (not applicable)
Physical Cultural Resources OP/ BP 4.11	No	N/A (not applicable)
Indigenous Peoples OP/BP 4.10	No	N/A (not applicable)
Involuntary Resettlement OP/BP 4.12	No	N/A (not applicable)
Safety of Dams OP/BP 4.37	No	N/A (not applicable)
Projects on International Waterways OP/BP 7.50	No	N/A (not applicable)
Projects in Disputed Areas OP/BP 7.60	No	N/A (not applicable)

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Michel Rogy,Charles Pierre Marie Hurpy	
<i>Approved By:</i>		
Safeguards Advisor:	Name:	Date:

Practice Manager/ Manager:	Name: Boutheina Guermazi (PMGR)	Date: 31-May-2016
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¹ 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.