



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 11-Oct-2019 | Report No: PIDC27057

**BASIC INFORMATION****A. Basic Project Data**

Country North Macedonia	Project ID P170993	Parent Project ID (if any)	Project Name North Macedonia Digital Economy (NODE) (P170993)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date May 08, 2020	Estimated Board Date Jul 07, 2020	Practice Area (Lead) Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Information Society and Administration, Public Enterprise Macedonia Broadcasting (JP MRD)	

Proposed Development Objective(s)

The Project Development Objective (PDO) for the North Macedonia Digital Economy (NODE) Project is to improve access to high-speed broadband services in Project areas and to online knowledge sources and services among citizens and public institutions.

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

Total Project Cost	33.82
Total Financing	33.82
of which IBRD/IDA	33.82
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	33.82
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Environmental and Social Risk Classification

Concept Review Decision



Moderate

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. Republic of North Macedonia is a landlocked country in the heart of the Balkans, characterized by its mountainous terrain that is intersected by valleys and lowlands.** It is a transit region that sits on two Pan-European corridors, which provides proximity to the EU export market of 650 million customers. The country's population is approximately 2 million, of which a quarter live in the capital Skopje, while 40 percent live in rural areas¹. According to some additional estimates, more than 500,000 citizens of North Macedonia reside abroad, which is one of the largest diasporas globally as a share of the total population².
- 2. North Macedonia's economic growth has largely been pro-poor since 2009, and the macroeconomic outlook has been positive with an annual average growth projected at 3.2 percent for 2019-2023.** Remarkably, in only six years (2009-2015), 240,000 people were lifted out of poverty. The extremely poor narrowed from about 9.7 percent to 5.3 percent during these years³. Truly, the country's post 2009 growth process has been one of the most inclusive not only in the Balkan region, but also in developing Europe and Central Asia⁴.
- 3. Despite these successes, the sustainability of these positive trends -in both poverty reduction and shared prosperity- has been questioned.** The most troubling fact is that incomes are still very unequally distributed, which makes North Macedonia more unequal than aspirational peers and more advanced European economies. A long tradition of emigration does not aid the situation, as the loss of even a small number of skilled workers affects the overall pool of skills in the economy and access to opportunities for all⁵.
- 4. Furthermore, the country is highly exposed to natural hazards that are amplified by climate change,** such as floods, forest fires, droughts, and extreme temperatures⁶. There is also a 10% chance of a potentially damaging earthquake (geophysical hazard) in the next 50 years⁷. **The country's emergency preparedness and resilience to climate change urgently requires further strengthening,** especially what concerns early warnings⁸.
- 5. To propel inclusive growth the Government of North Macedonia aims to *inter alia* improve the state of digital infrastructure and render it climate resistant. Improved digital infrastructure is a means to secure deeper regional and EU integration, while also helping to mitigate income and social divides on the urban-rural nexus, and to address vulnerabilities in the emergency service delivery to rural communities affected by climate change.** This policy, which takes advantage of the gradual decline of the fiscal deficit⁹, will build on the Government's commitments to business

¹ Per the latest Census of 2002.

² WBG CPF for the Republic of North Macedonia for the period January 2019-June 2023, <http://pubdocs.worldbank.org/en/70531155590000225/North-Macedonia-CPF-2019.pdf>

³ Extreme poverty is calculated using the poverty line of US\$1.90/day in 2011 purchasing power parity.

⁴ WBG CPF for the Republic of North Macedonia for the period January 2019-June 2023, <http://pubdocs.worldbank.org/en/70531155590000225/North-Macedonia-CPF-2019.pdf>

⁵ Ibid.

⁶ Ibid.

⁷ <https://climateknowledgeportal.worldbank.org/country/macedonia>

⁸ Ibid.

⁹ <http://www.worldbank.org/en/country/northmacedonia/overview#3>



environment reforms addressing rigidities in product, network and labor markets; attracting green-field FDI; and its international commitment to meet its Nationally Determined Contributions (NDCs) under the United Nations Framework Convention on Climate Change¹⁰.

Sectoral and Institutional Context

6. **North Macedonia saw quick development of the electronic communications market as a result of the opening up of the telecommunications sector to competition, and of the considerable progress achieved in the area of regulatory reform and harmonization with EU *acquis*.** For example, in mid-2000s, the country was one of the global pioneers in terms of adoption of basic wireless internet technologies¹¹.

7. **While the internet household penetration may not seem too far from the developed countries (~79% vs. 83 perc. respectively¹²), the real state of broadband development in North Macedonia is constrained; if the bottlenecks are not removed, the development of the country's digital economy will be endangered.** Despite relatively high levels of internet penetration, North Macedonia does not have much future-proof connectivity (over 100 Mbps). The broadband mapping study undertaken in 2018 by the Broadband Working Group, established and led by the Ministry of Information Society and Administration, has elucidated that only **43.8 percent** of the country is covered with next generation access (NGA) broadband networks (vs. 58 perc. in the EU)¹³ and that only **15 percent** of the existing fast broadband network is utilized (for ultra-fast broadband the share is even lower – **1.2 perc.**¹⁴ vs. 20 perc. In the EU).¹⁵

8. **The fixed broadband market is underdeveloped due to high prices and weak competition on both retail and wholesale levels.** For example, the market share of a retailer is over 40 percent in both fixed and mobile telecommunication markets. On the level of wholesale broadband, the market concentration in North Macedonia is the second highest in the Western Balkan region. High wholesale prices prevent investments, particularly in commercially unattractive areas. Better regulation and policies encouraging greater investments (e.g. infrastructure sharing) can increase competition¹⁶.

9. **Where broadband access exists, connection speeds (denoting the quality of service) are low.** Private research shows that the pace of household adoption of 25 Mbps and higher-speed packages is considerably lower than in benchmark Western Balkan and EU countries, and the same pertains to the rate of adoption of fiber connections (see below Figure).

¹⁰ In the process, the Government set the country on a fast track towards the EU integration by resolving a protracted name issue. Even though the country was declared a candidate country in December 2005, the opening of negotiations was on hold due to the ongoing dispute with Greece over the country's name. The dispute got resolved in early 2019.

¹¹ Thanks to the USAID-funded "Macedonia Connects" Project the country became internationally known as the first "wireless" country.
<https://partnerships.usaid.gov/partnership/broadband-connectivity-macedonia-connects>

¹² 79.3 percent of the households had access to internet at home, source: Republic of North Macedonia State Statistical Office (MakStat), http://www.stat.gov.mk/KlucniIndikator_i_en.aspx; According to the latest ICT Development Index (2017) of the International Telecommunications Union (ITU), the developed countries have, on average, ~83 percent of households connected to internet, source: <https://www.itu.int/net4/ITU-D/idi/2017/index.html>

¹³ DESI 2019, at: <file:///C:/Users/WB435331/Downloads/2019DESIReportConnectivity.pdf>

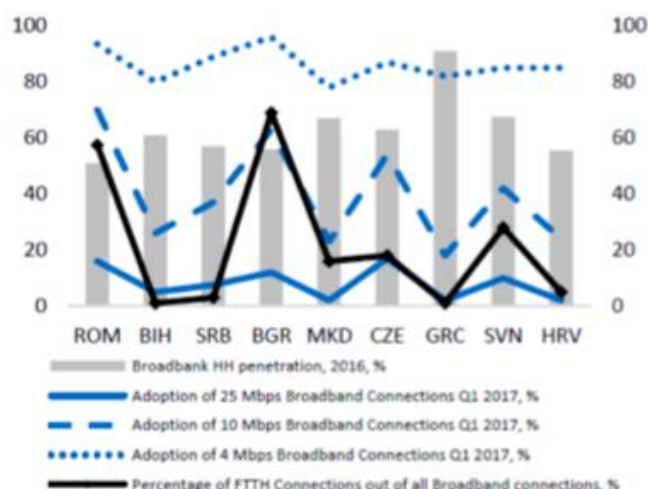
¹⁴ National Operational Broadband Plan (NOBP), MISA,
http://www.mioa.gov.mk/sites/default/files/pbl_files/documents/reports/north_macedonia_national_operational_broadband_plan_final_en.pdf

¹⁵ DESI 2019

¹⁶ The World Bank research, as cited in the National Operational Broadband Plan (NOBP), MISA,
http://www.mioa.gov.mk/sites/default/files/pbl_files/documents/reports/north_macedonia_national_operational_broadband_plan_final_en.pdf



Figure 1: Broadband Household Penetration and Adoption of Slow vs. Fast Connections



Source: Akamai (2017), The State of the Internet Report¹⁷.

10. **Unevenly distributed high-speed quality broadband access reinforces the urban-rural divide.** Residents of rural and remote areas are particularly affected by uneven broadband development, with fewer internet access options at their disposal, if at all, and much lower internet speeds (where internet is available), and higher financial barriers to broadband access services, as the poverty is higher in these areas¹⁸. As over the years internet service providers (ISPs) have prioritized networks deployment in or around the capital city and urban areas not finding a compelling business case to move inside the areas with poor backbone connectivity (often those experiencing high rates of emigration), the following discrepancies emerged:

- Around **174,242** households (**30.53%** of the total number of households) are located in so-called “white areas”, i.e. areas in which there is no ultra-fast internet access or interest from the ISPs in the construction of networks¹⁹.
- Another **123,684** households (**21.67%**) are in the “grey areas”, i.e. in which there is one (infrastructure-based) provider already active (or planned to operate in the following three years), however, another network is unlikely to be developed in the next three years²⁰.
- Low affordability of fixed broadband prices for the population with lower incomes. Since lower incomes go hand in hand with geography, the rural poor are mostly disadvantaged in the context of the broadband diffusion²¹.

¹⁷ <https://www.akamai.com/us/en/resources/our-thinking/state-of-the-internet-report/>

¹⁸ WBG CPF for the Republic of North Macedonia for the period January 2019-June 2023, <http://pubdocs.worldbank.org/en/70531155590000225/North-Macedonia-CPF-2019.pdf>

¹⁹ National Operational Broadband Plan (NOBP), MISA,

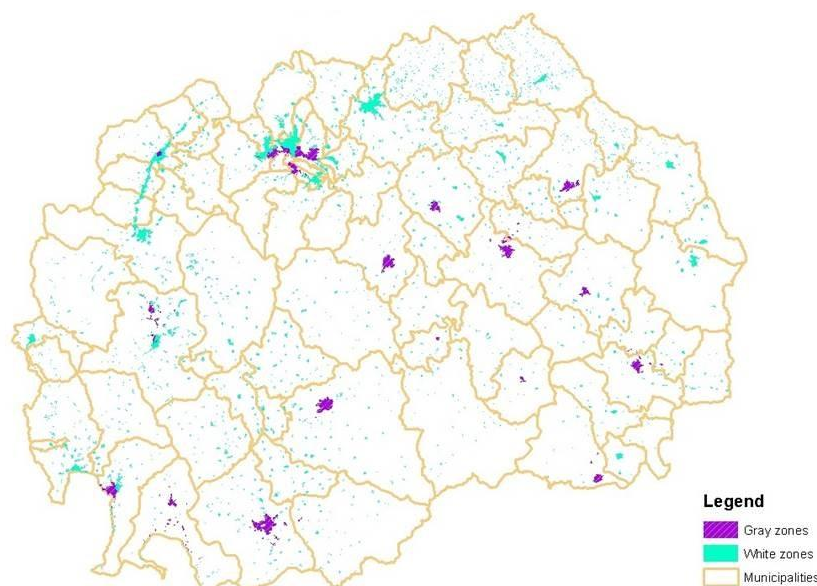
http://www.mioa.gov.mk/sites/default/files/pbl_files/documents/reports/north_macedonia_national_operational_broadband_plan_final_en.pdf

²⁰ Ibid. Note that some households in these grey areas do have access to internet, thus a portion of the households from these areas are part of the previously stated figure on general household coverage (79.3%).

²¹ Broadband Toolkit, the World Bank, at: <http://documents.worldbank.org/curated/en/825001507011053469/pdf/120164-27-9-2017-13-54-51-BroadbandStrategiesToolkitMain.pdf>



Figure 2: White and Grey areas on the map of North Macedonia



Source: MISA (2019)

11. In North Macedonia, bottom 40 percent of households are reportedly paying, on average, a much higher share of their disposable monthly incomes on fixed broadband packages (~11%) than the rest of the households²². Household consumption studies indicate that the high cost of access and telecom equipment is an oftentimes cited reason for not having an internet connection. Overall, North Macedonia has the highest price for fast broadband of >30 Mbps and the second highest price for a >10 Mbps connection in the Western Balkans²³.

12. The current situation calls for a public initiative to support private infrastructure investments in commercially unattractive areas of the country and in response to that the Government has adopted the National Operational Broadband Plan (NOBP) which in close collaboration with private sector has set up concrete measures to address the digital infrastructure divide. With 30 percent of households remaining in white zones (unconnected), the ability of North Macedonia to leverage the opportunities of the global digital economy in terms of access to markets, public services, and knowledge remains severely constrained. And the poorest (bottom 40 percent by income) are mostly disadvantaged, given their low affordability of fixed broadband services, where available.

13. The proposed North Macedonia Digital Economy (NODE) Project will thus finance the missing infrastructure²⁴. Non-discriminatory access terms to the financed infrastructure under the Project will oblige ISPs to set the retail broadband prices in rural areas in line with their pricing policy in urban areas, which is critically important for service take-up among the rural poor.

²² Based on the analyses of the Digital Development Global Practice to North Macedonia Systematic Country Diagnostics of the World Bank Group from 2017.

²³ "Seizing a Brighter Future for All", Former Yugoslav Republic of Macedonia Systematic Country Diagnostic, The World Bank, 2018.
<http://pubdocs.worldbank.org/en/6063815434479145/MKD-SCD-2018-ENG-Web.pdf>

²⁴ On the national backbone / backhaul level.



14. **The NODE Project was included into the Single Project Pipeline (SPP) for investment projects based on the multi-year Programme of the Government²⁵.** The Project has been considered key for achieving the national broadband targets set out in the NOBP²⁶.

15. **NOBP is aligned with the strategic objectives of the Digital Agenda for Europe²⁷ and the EU's Gigabit Society²⁸.** It also responds to the Article 95 of the Stabilisation and Accession Agreement with the EU²⁹ obliging North Macedonia to strengthen electronic communications infrastructure, including classical telecommunications networks and relevant electronic audio-visual transport networks, and associated services, with the objective of ultimate alignment with the EU acquis of North Macedonia. In addition, the Project is strategically aligned and contributes to the implementation of the national, regional and EU strategic documents such as the Economic Reform Programme (ERP 2019-2021)³⁰; Digital Agenda for the Western Balkans of the European Commission³¹; Multi-Annual Action Plan (MAP) for a Regional Economic Area in the WB³²; and a credible enlargement perspective for and enhanced EU engagement with the Western Balkans of the European Commission³³.

Relationship to CPF

16. **The proposed Project is part of the latest CPF³⁴ responding to its Objective 1: Improve Connectivity and Access to Markets and falling under the Focus Area I: Export-Led Growth: Improve the Environment for a Competitive Private Sector.** The Project, in the form of Investment Project Financing (IPF), was proposed for FY20-21 following consultations with the Government and private sector. The proposed Project builds on the years of Digital Development team's engagement in North Macedonia, which was focused on analytical activities in the fields of broadband development, energy-telecommunications infrastructure sharing, and cybersecurity.

C. Proposed Development Objective(s)

The Project Development Objective (PDO) for the North Macedonia Digital Economy (NODE) Project is to improve access to high-speed broadband services in Project areas and to online knowledge sources and services among citizens and public institutions.

Key Results (From PCN)

To achieve the above objective the Government through the Project will conduct the following activities:

- Deployment of the Backhaul connectivity to White areas;

²⁵ SPP was adopted by the National Investment Committee on Nov. 28, 2018, <http://www.sep.gov.mk/data/file/Dokumenti/SSPP.2018.pdf>

The Project was screened through the Methodology with strong project prioritization (a developed set of criteria reflecting EU and national strategy and policy goals focusing on economic development), based on three basic pillars: (i) compliance indicators (compliance with EU policies, legislation and directives, compliance with international conventions, compliance with national strategies and legislation, compliance with regional and geographical balance), (ii) impact indicators (estimated environmental impact, local socioeconomic development), and (iii) maturity indicators (technical constraints, overall maturity of the project, estimated cost of the project, estimated construction period). This Project has been selected as the only Digital Project for the SPP.

²⁶ By the end of 2029, at least 50 percent of the total number of household subscriber contracts across the country are for internet access of at least 100 Mbps; By the end of 2029, all households will have affordable opportunity to access a network that allows for a download speed of at least 100 Mbps, with a possibility for upgrade to Gigabit speed; By the end of 2029, all public institutions (schools, universities, research centres and other education institutions, healthcare facilities, ministries, courts, local self-governments and other state authorities and bodies) have symmetrical internet access with a speed of at least 1Gbps, source: National Operational Broadband Plan (NOBP), MISA,

http://www.mioa.gov.mk/sites/default/files/pbl_files/documents/reports/north_macedonia_national_operational_broadband_plan_final_en.pdf

²⁷ <http://www.europarl.europa.eu/factsheets/en/sheet/64/digital-agenda-for-europe>

²⁸ European Commission. [Communication – Connectivity for a Competitive Digital Single Market – Towards a European Gigabit Society](#). Brussels: 2016. Related Document: COM(2016)587.

²⁹ https://eeas.europa.eu/sites/eeas/files/saa03_01_en.pdf

³⁰ See part 4.3.4 Research, development and innovation and the digital economy, at:

<https://finance.gov.mk/files/Economic%20Reform%20Program%202019%20EN%20Nov%202018.pdf>

³¹ Includes investments in broadband connectivity as its first pillar, at: https://europa.eu/rapid/press-release_IP-18-4242_en.htm

³² Especially its digital integration pillar, at: <https://www.rcc.int/docs/383/>

³³ COM(2018) 65 final, https://ec.europa.eu/commission/sites/beta-political/files/communication-credible-enlargement-perspective-western-balkans_en.pdf

³⁴ Under the title "Digital Macedonia – High-Speed Broadband" Project.



- Deployment of Access Points or Points of Presence (PoPs) in the White Areas;
- Deployment of connections to Public sector institutions that are not connected;
- Deployment of connections to public locations that will provide free Wi-Fi.

D. Concept Description

17. **Through the proposed Project, the Government of the Republic of North Macedonia aims to considerably improve the state of the national Digital (broadband) Infrastructure by investing in the backhaul networks to benefit selected Project areas.** Broadband connectivity is recognized as an essential resource for the future competitiveness of North Macedonia and its socioeconomic development, especially from the standpoint of ensuring inclusion and of adapting to climate change effects. Broadband and broadband-enabled technologies, which are essentially “green technologies”, nurture innovations, trigger business processes improvements, and improve linkages to the global economy.

18. The proposed Project will be structured along three main components and subcomponents.

19. **Component 1 “Digital Infrastructure” will include construction of the National Transport Optical Network³⁵ (further: NODE Network) and creation of enabling conditions for its proper functioning.** The construction and development of the NODE Network will be informed by the Feasibility Study in accordance with the measures, main pillars and recommendations set out in the NOBP and other technical project documentation for the NODE Network financed by the approved Western Balkans Investment Framework (WBIF) Technical Assistance Grant. The WBIF grant will be executed by the World Bank as a lead IFI since July 2019; the line Ministry of Information Society and Administration (MISA) will be the major beneficiary of the grant. Public Enterprise Macedonia Broadcasting (JP MRD) is closely involved in the grant execution, as it is envisaged that it would be in charge of the construction, maintenance and management of the National Network, as well as the infrastructure in the white zones, according to the NOBP.³⁶

20. **It is planned that the NODE network will make it economically feasible for the commercial operators to invest in the last mile solutions by providing retail services to the end users in Project areas. Thus, the NODE will effectively maximize finance for development (MFD).** The deployed network will offer wholesale access on an open, non-discriminatory basis to electronic communication operators wishing to connect end users. The wholesale operator of the network, JP MRD, will not offer retail services. It is expected that the creation of backhaul network in Project areas will reduce the entry barriers (by lowering investment costs) for commercial operators and thereby will encourage them to extend their broadband network coverage in rural areas. Public consultations confirmed the demand for such wholesale services from the commercial operators; smaller operators are particularly interested. (There are 92 ISPs registered to provide services for renting public communication infrastructure in North Macedonia³⁷.) The tariffs of the wholesale service will be determined by JP MRD in cooperation with BCO and National Regulatory Authority (AEK), taking into account the public debate and consultations with the operators. Operations and maintenance of the deployed infrastructure will be covered through the provision of the wholesale access services. Any surplus generated by the JP MRD through the operation of the network will be used to maintain the network or for rural broadband development. The JP MRD will not engage in profit-making operation of the network but will keep income and expenses at an equilibrium and limits its activity to the administrative management of a mere passive infrastructure.

21. The activities under the Component 1 will be split into three subcomponents:

- **Subcomponent 1.1 “NODE Network”** will include the construction of the NODE Network connecting the following:

³⁵ This term is used in the NOBP.

³⁶ Statutes of the company have been recently amended accordingly by the Government.

³⁷ <https://www.telegeography.com/products/globalcomms/data/country-profiles/ee/north-macedonia/regulations.html>



- White zones;
- Locations for free Wi-Fi Internet access points; and
- Public institutions: educational institutions (e.g. schools, universities, libraries, research centers, etc.), health institutions, ministries, courts, municipalities and other state administration authorities and bodies. Beneficiary public institutions will be able to establish symmetrical access to the ultrafast broadband connectivity (with speeds of at least 1 Gbps). The exact list of the institutions will be determined during the preparation of the Feasibility Study.

- **Subcomponent 1.2 “Review of the Regulatory Framework”** will ensure open and non-discriminatory access of ISPs to the deployed NODE Network by ISPs. The subcomponent will include consulting support to MISA, to the Agency for Electronic Communications (AEK), and possibly other entities to be engaged in the NODE Project (e.g. Broadband Competence Office/BCO). The below figure major stakeholders currently involved into Project implementation are presented on the Figure below.

Figure 3. Major stakeholders currently involved into the NODE Project implementation



- **Subcomponent 1.3 “Increasing Access to Knowledge, Information and Services”** will include provision of support to increase use of online services and relevant information through targeted awareness raising and information sharing activities in Project areas. The activities could include, for example, the distribution of information to support mobilization of Project area residents in the event of extreme climatic events (e.g. information about national climate emergency systems/mechanisms, contacts of emergency-response institutions, their guides/manuals for survival during such events, etc.).

22. **Component 2 “Institutional Transformation and Strengthening”** will contain activities aimed at strengthening JP MRD as an owner and operator of the NODE Network:

- **Subcomponent 2.1 “Building of competencies and capacities”** will build technical expertise and capacity of JP MRD staff to maintain and operate the newly-deployed Network. In general, it is expected that this support will be comprehensive so as to allow JP MRD to effectively prepare for and cope with hazards through proper investment, maintenance and contingency budgeting, development of protocols and trainings on the access to the Network premises/sites and equipment in the times of natural climate-borne hazards and earthquakes.
- **Subcomponent 2.2 “Strategy implementation for a new business unit”** will provide strategic support to a new organizational unit within JP MRD, specifically tasked with the operation and maintenance of the NODE Network.



This subcomponent will implement the strategy direction taken by the JP MRD, informed by the Feasibility Study and other documentation to be delivered under the WBIF Technical Assistance (in progress).

- **Subcomponent 2.3 “Integrated marketing campaign”** will support JP MRD’s sales and marketing efforts aimed at generating a client base of ISPs as a service inventory for successful business operations. Given the large ISP base in the country (92 registered ISPs), JP MRD would need to put effort in providing equal access to the information on its wholesale services as well as ensuring access to the services of those ready to purchase them. This will require that JP MRD at a minimum should (a) develop a telecom sector-oriented sales team and client service desk; (b) develop public relations and marketing materials in the context of a wider communications campaign (e.g. service catalogue, presentations on its service offerings). Broadband demand forecasts project increase in the near future in broadband traffic and data exchange in North Macedonia, in line with global trends, which means that the current ISP base may be eventually increasing to seize on new opportunities on the demand side as well as supply side (through the NODE)³⁸. JP MRD, in its turn, should be able to seize the market share by acting proactively, similarly to other wholesale providers.

23. **Component 3 “Project Implementation Support”** will provide implementation support to JP MRD Project Implementation Unit (PIU). In addition to capacity-building trainings on fiduciary aspects, safeguards, and meeting of corporate requirements of IBRD projects, the PIU will also receive trainings on climate change adaptation measures in the context of the Project.

24. **The NODE Project will be financed by the WB loan and, if approved, co-financed by the WBIF investment grant.** The country plans to apply for the WBIF investment grant at the of the 2020 and following the completion of the WBIF Technical Assistance Grant (ongoing).

Corporate Requirements

25. **Citizen engagement. Per discussions with the Government and ISPs during the project identification missions in 2018-2019, the proposed Project will adhere to corporate citizen engagement (CE) requirements** by establishing a complaint handling mechanism, carrying out periodic beneficiary feedback surveys, and by conducting frequent dialogue forums with users of the Project website and social media accounts on the activities under Component 1 as well as holding citizen assemblies in Project areas enabling residents to deliberate on issues related to the Project, digitalization of their communities, more broadly, and impact of climate change on the communities. All procedures related to complaints handling and relevant information will be posted on the Project website to ensure full transparency and two-way engagement with publics. Additionally, B2B meetings³⁹ and public awareness campaigns will be conducted countrywide to inform Project stakeholders about JP MRD’s broadband offerings and about the NODE itself, which will be executed as part of Subcomponent 2.3 and Component 3, respectively. Project institutional and implementation arrangements will include a grievance redress mechanism (GRM). All procedures related to complaints handling and relevant information will be posted on the Project website to ensure full transparency and two-way engagement with publics. The GRM and citizen engagement results indicators will be elaborated before the appraisal.

26. **Gender.** Gender equality and non-discrimination principles are included in North Macedonia’s main legal framework and strategic and operational documents determining the ICT policy. Despite some gender disparities in terms of ICT employment, women’s participation in the sector has been evaluated as decent by private sector⁴⁰. On

³⁸ Regional Broadband Market Study, Balkans Digital Highway Pre-feasibility Study, World Bank, 2019.

³⁹ JP MRD will be offering its services to ISPs.

⁴⁰ https://www.netherlandsworldwide.nl/binaries/en-nederlandwereldwijd/documents/publications/2019/04/10/ict-wb/20180704+-PwC+ICT+sector+study_DRAFT+MAK.pdf



the other side, there may be gender gaps in access to ICT devices and broadband, which may not have been captured by official statistics or other research. To this end, the task team proposed to MISA, as part of the Project preparation, to perform a gender analysis on ICT usage in the country with the help of consultants if it is financed by the European Commission. It should be also noted that the awareness and capacity building under Subcomponent 1.3 and 2.1 may include activities aimed at supporting female staff of JP MRD and population in Project areas. The Project will also aim to increase female employment in the NODE Network construction and operation.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The potential adverse risks and impacts on human populations and environment are not likely to be significant. The project activities are not complex or large. Given the low environmental management capacity of the implementing agency (JP MRD), the planned civil works, potential OHS and community safety impacts as well as the fact that Project area does not exclude protected natural areas, the environmental risk is rated as moderate. The project activities will not have long-lasting adverse negative environmental impacts. Instead, it is rather expected that those will be predictable, temporary, low in magnitude, site specific and typical for the small scale civil and/or installation works that are expected and include, but are not limited to: small-scale earthworks (digging narrow and shallow trenches for laying cables) or micro-trenching roads and repaving, installation of cables to the existing infrastructure (e.g. electricity poles) or installation of new poles and similar. The social risk rating for the project is proposed to be low. The project will not finance works that are complex and large in scale, thus there will be no need either for land take or any displacement, as all civil works will be in existing infrastructure such as along existing roads. Given that the works will be specialized small-scale works for laying cables and installation of a WIFI equipment, the number of workers working will be small per sections, thus there will be no issues with labor influx.

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