INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.: ISDSA13185

Date ISDS Prepared/Updated: 09-Mar-2015
Date ISDS Approved/Disclosed: 11-Mar-2015

I. BASIC INFORMATION

1. Basic Project Data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Djibouti</th>
<th>Project ID:</th>
<th>P146219</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Djibouti - ICT Sector Reform (P146219)</td>
<td></td>
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<tr>
<td>Task Team Leader(s):</td>
<td>Isabelle Huynh</td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>02-Mar-2015</td>
<td>Estimated Board Date:</td>
<td>19-May-2015</td>
</tr>
<tr>
<td>Managing Unit:</td>
<td>GTIDR</td>
<td>Lending Instrument:</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>Sector(s):</td>
<td>Telecommunications (100%)</td>
<td></td>
<td></td>
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<tr>
<td>Theme(s):</td>
<td>Legal institutions for a market economy (35%), Regulation and competition policy (55%), State-owned enterprise restructuring and privatization (10%)</td>
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</tbody>
</table>

Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? No

Financing (In USD Million)

<table>
<thead>
<tr>
<th>Total Project Cost:</th>
<th>2.00</th>
<th>Total Bank Financing:</th>
<th>2.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Gap:</td>
<td>0.00</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>2.00</td>
</tr>
<tr>
<td>Total</td>
<td>2.00</td>
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</tbody>
</table>

Environmental Category: C - Not Required

Is this a Repeater project? No

2. Project Development Objective(s)

The PDO is to provide support to the Government in opening up the ICT sector to competition and setting up the institutional and regulatory foundations of a sustainable open and competitive market in Djibouti.

3. Project Description
The project has three components described below.

Component 1: Enabling environment for an ICT sector open to competition (US$0.75 million). The objective of this component is to strengthen the legal, regulatory and institutional framework of the ICT sector in Djibouti and prepare all necessary elements and inputs to set up a regulatory entity. Specifically this component will finance the improvement of the legal and regulatory framework, studies and up-front technical work necessary for the set-up of an autonomous regulatory entity, and capacity building for the MOC as described in the 2004 Law on telecommunications.

Component 2: Telecom sector opening and study on Djibouti Télécom strategic repositioning (US$0.85 million). This component will (i) finance a study to identify the strategic options for opening the sector to competition (this study aims at informing the Government on the key determining features of the second license and how the license design may impact sector growth in the long run), and (ii) support the tender process and the award of a second license to introduce competition and foster dynamism in the telecommunications sector in Djibouti. This component will also (iii) fund a study to identify the different options for the strategic repositioning of Djibouti Télécom with the goal of transforming it into a world-class operator (opening of Djibouti Télécom’s capital to a private investor). This component will cover only this scoping study, but the Government will have to take a number of accompanying steps towards effectively preparing Djibouti Télécom for a next phase of strategic repositioning, in particular to cover aspects such as cost accounting (currently Djibouti Télécom follows public accounting rules which is not fit for a commercial entity which inter alia is to set its tariffs of a cost-oriented basis for instance), human resources and skill gaps analysis, asset valuation, etc.

Component 3: Project Management (US$0.4 million). This component will finance the establishment of the Project Implementation Unit (PIU) within the Ministry of Communication, the implementing entity as well as a part of its operational needs.

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

Djibouti city

5. Environmental and Social Safeguards Specialists

Fatou Fall (GSURR)
Helena Munir Freih Al-Naber (GENDR)

<table>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>No</td>
<td>The project does not contain any infrastructure work, and is likely to have no adverse environmental impacts. The project is therefore categorized as environmental assessment category C. Beyond screening; no further Environmental Assessment action is required.</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>The project does not trigger this policy.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The project does not trigger this policy.</td>
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</table>
II. 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:

   There are no safeguard issues associated with the proposed project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

   Not applicable.

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

   Not applicable.

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.

   Not applicable.

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

   Not applicable.

B. Disclosure Requirements

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:

   Environmental and Social safeguards documents are not required for this project as the policies are not triggered.

C. Compliance Monitoring Indicators at the Corporate Level

The World Bank Policy on Disclosure of Information
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [ ] No [ ] NA [ ] |
| 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 [ ] No [ ] NA [ ] |
| **All Safeguard Policies** |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [ ] No [ ] NA [ ] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [ ] No [ ] NA [ ] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [ ] No [ ] NA [ ] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [ ] No [ ] NA [ ] |

### III. APPROVALS

| Task Team Leader(s): | Name: Isabelle Huynh |
| **Approved By** |
| Practice Manager/Manager: | Name: Randeep Sudan (PMGR) | Date: 11-Mar-2015 |