European Investment Bank

12/07/2024

Environmental and Social Data Sheet

Overview

Project Name:	CABO VERDE REGIONAL DIGITAL CONNECTIVITY
Project Number:	2022-0836
Country:	Cape Verde
Project Description:	The project concerns a Framework Loan to finance the promoter's investment plan to support Cape Verde's strategic objectives in the digital sector. The promoter will invest in the renovation of the country's inter-island submarine cable, which is a top priority for the country as many of its components are reaching the end of life, the modernisation of the information systems to improve functionality and efficiency, and a connection to a next generation submarine cable system connecting Europe and the West coast of Africa. The project may also include other investments in the upgrade of the promoter's digital infrastructures.

EIA required: to be determined

Project included in Carbon Footprint Exercise[1]: no

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

Environmental Assessment

The project consists of the deployment of international and national submarine cables as well as the modernisation of the promoter’s information system architecture, which will include new servers to be installed in existing premises as well as upgrades to other digital infrastructures. Submarine cables are linear infrastructures with relatively high deployment speed and a small local footprint, which means that potential impacts are typically limited in time and space. The cable diameter ranges from 15 to 40 mm and, in case of buried sections, the trench is typically from 50 to 100 cm wide and from 100 to 150 cm deep. The cable is buried close to the shore and is laid directly on the seabed in deep waters. The cable route study and maritime survey identify the most adequate route, avoiding sensitive areas to the extent possible, and defining the required mitigation measures. The promoter plans to reuse the existing inter-island and international cable systems landing area elements as much as possible, which would further reduce potential impacts.

If the project was located in the EU, projects related to the deployment of submarine cables and installation of servers are not specifically mentioned in the Annexes I and II of the EIA Directive 2011/92/EU amended by Directive 2014/52/EU.

[1] Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20 000 tonnes CO2e/year absolute (gross) or 20 000 tonnes CO2e/year relative (net) – both increases and savings.

However, in the case of submarine cable deployments, EIAs and similar studies with a scope adapted to the specific location of the project are usually required by authorities for the approval of the project. The relevant Cape Verdean EIA law (Decree 27/2020) is consistent with the corresponding EU directives in this respect and does not mention explicitly submarine cable projects in the Annex I that lists the type of activities that require mandatory EIAs. When the typology of the project is not explicitly mentioned in Annex I of the Decree 27/2020, the EIA Authority will carry out a screening process based on the criteria indicated in Annex II of the Decree to determine the scope of the required environmental study to be prepared, which can be a full EIA, a simplified EIA or a summary of the environmental management measures applicable to the project. However, in the case of this project, as the final design of the system is still to be completed based on the desktop studies and maritime survey, the promoter has not yet been able to submit the project components to the EIA Authority for the screening process. The screening decision documentation and corresponding environmental studies required and approved by the EIA Authority will be provided by the promoter before the disbursements of the EIB loan for the submarine cable components.

The other project components (modernisation of information systems and upgrade of other digital infrastructures) will consist of hardware and software to be installed in existing network sites, so will not require a particular environmental study for the approval of their implementation.

The GHG emissions of the project have been estimated at 2 (absolute) and 0 (relative) kt CO2eq/year. Both values are under the threshold for the Carbon Footprint Exercise.

Climate assessment

Digitalisation and ICT infrastructure play an important role in the transition of several sectors to a low carbon and climate resilient economy. The project is fully aligned with the Paris Agreement on climate change because:

- it meets the description of a low carbon project in the ICT sector as defined in the Climate Bank Roadmap (Annex 2 Table H of EIB's climate bank roadmap - CBR), and;
- it is assessed as not materially at risk from physical climate hazards, because the assets are not exposed to physical climate hazards as they are placed in the seabed of deep waters.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope but screened out of the PATH framework, because it is not considered high emitting or highly vulnerable.

Public Consultation and Stakeholder Engagement

The promoter will analyse the maritime and coastal activities in the project area and consultations with the general public and specifically the potentially affected communities, such as fishermen, will be conducted in the scope of the EIAs / E&S studies mentioned in the previous sections. If applicable, mitigation and compensatory measures will be put in place to address identified impacts.

Other Environmental and Social Aspects

The promoter is a signatory of the UN Global Compact and produces an annual Corporate Sustainability Report using the GRI standards. The promoter operates with a quality management system certified according to ISO-9001:2015. The project entails wide-ranging socio-economic benefits in the targeted regions notably by overcoming the digital divide between the peripheral islands and the main economic centres of the country.

More resilient and higher capacity connectivity will enable a faster digital transformation across different sectors and stimulate innovation-related business activities.

Conclusions and Recommendations

The promoter is planning to reuse existing infrastructures as much as possible, reducing the already limited potential environmental impacts of this type of project. On the other hand, the project is expected to generate positive social impacts by overcoming the digital divide in the country providing the population in the smaller islands with the opportunity to benefit from the economic development potential of digital technologies. The promoter will provide the final design, screening decisions and environmental studies, including public consultations, approved by the EIA Authority, if applicable, for each project component before their corresponding disbursements related to construction activities. Based on these conclusions and recommendations, the project is acceptable for EIB financing in E&S terms.