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PROJECT PERFORMANCE ASSESSMENT REPORT

JORDAN

TELECOMMUNICATIONS PROJECT
(LOAN 3738)

July 23 2002

Sector and Thematic Evaluation Group
Operations Evaluation Department

Currency Equivalents (annual averages)

Currency Name: Jordanian Dinar
Currency Unit: JD
1994 US$1.00 JD 0.699

Abbreviations and Acronyms

BAS	Value-added Services
BITS	Swedish Board for Investment and Technical Support
CAS	Country Assistance Strategy
CLIP	Calling Line Identification Prevention
COM	Council of Ministers
DEL	Direct Exchange Line
ECO	Expanded Co-financing Operation
EIB	European Investment Bank
EPU	Executive Privatization Unit
FAC	Final Acceptance Certificate
GOJ	Government of Jordan
GSM	Global Mobile System
ICB	International Competitive Bidding
IP	Internet Protocol
ISDN	Integrated Services Digital Network
JBIC	Japan Bank for International Cooperation (formerly JEXIM)
JD	Jordanian Dinar
JTC	Jordan Telecommunications Company (formerly TCC- Jordan Telecommunications Corporation)
LLP	Local Line Plant
LSP	Letter of Sector Policy
MoICT	Ministry of information and Communications Technology
MOPC	Ministry of Posts and Communications
NISC	National and International Switching Center
NTP	National Telecommunications Program
ODA	Overseas Development Agency of the United Kingdom
PAC	Product Acceptance Certificate
PCM	Pulse Coded Modulation
PDH	Plesiochronous Digital Hierarchy
PMO	Project Management Office
PSTN	Public Service Telecommunications Network
RDLU	Remote Distribution Line Unit
RLU	Remote Line Unit
SAR	Staff Appraisal Report
SDH	Synchronous Digital Hierarchy
TPD	Telecommunications Policy Department
TRC	Telecommunications Regulatory Commission

Fiscal Year

January 1—December 31

Director-General, Operations Evaluation	:	Mr. Robert Picciotto
Director, Operations Evaluation Department	:	Mr. Gregory K. Ingram
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The World Bank
Washington, D.C. 20433
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Office of the Director-General
Operations Evaluation

July 23, 2002

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Project Performance Assessment Report on Jordan Telecommunications Project (Loan 3738)

This is the Project Performance Assessment for the above named project, for which an IBRD loan of US$20 million was approved in May 1994. It complements and builds on the ICR and focuses on lessons and future directions. The project closed on January 31, 2000 with an unused amount of US$4.6 million. Several donors provided cofinancing, in addition to an IBRD guarantee for a $50 million Eurobond.

The project prepared the ground for privatization of the Jordan Telecommunications Company, and was complemented by several Economic Reform and Development Loans (ERDLs) and technical assistance instruments financed by various donors in support of a broad privatization program in Jordan. The IFC also became engaged in the sector.

The project aimed to: (a) develop a market-oriented sector policy and a transparent regulatory framework; (b) commercialize and subsequently privatizing the Jordan Telecommunications Corporation (JTC); (c) encourage private investment in the sector; and (d) enhance service quality, expanding network capacity, and increasing coverage. The project objectives were supportive of the Government of Jordan's strategy for the telecommunications sector. They were also central to the Country Assistance Strategy (CAS), which emphasized financial restructuring, cost recovery, commercialization, and privatization of public enterprises to improve resource allocation and reduce burdens on the budget.

OED rates the project's outcome satisfactory, its sustainability likely, and its institutional development impact substantial. Project objectives were demanding, and highly relevant. Implementation exceeded the original objectives, costs were significantly lower, and savings were used effectively. The project led to significant improvements in access and service quality, JTC corporate development and privatization, and the policy and regulatory framework. The project stimulated private investment in mobile communications and related services. It achieved or surpassed many of the original performance indicators. The economy-wide benefits and demonstration effects from the project were substantial, such as the enhanced connectivity and service from private sector participation in infrastructure development. But the new policy and regulatory functions remain fragile.

OED rates the Bank's performance satisfactory, although it notes that the client perceived the Bank as slow and rigid on procurement issues. The Bank played several highly valued roles—knowledge broker, trusted advisor, and partner—in moving toward successful privatization of a major national asset. Borrower performance satisfactory, reflecting commitment to reform, quick learning from mistakes, and transparency in privatization.

Telecommunications reform is often a critical entry point for the country to use information technology in all sectors and to build a knowledge economy. Jordan presents a major opportunity for using information and communications technology (ICT) to transform the economy, and the Bank should therefore build on its success and take a more comprehensive view of this sector in support of Jordan's vision.

Experience with this project confirms a number of OED lessons:

- Privatization is likely to be effective in producing improved performance only when the necessary policy and regulatory framework is created first. Moreover, in pursuing privatization, borrowers should be encouraged to move to competition in all segments of telecommunication services as early as possible.

- Wholesale, top down privatization is unlikely for large and complex infrastructure operations as consensus at the sectoral level is often a necessary step to successful privatization.

- Building regulatory institutions is a fragile, long-term process and therefore local demand for reform must be nurtured and capacity supported over a long time horizon.

- Development of strategic information systems is a demanding and complex task, requiring significant attention and expertise from the Bank and borrower.

- Partnerships and cofinancing can enrich the instruments and options available for sector assistance, using such instruments as technical assistance, investment, and adjustment lending. These instruments should be strategically selected and sequenced to help support a comprehensive and sustainable sector development. In particular, the Bank and IFC should strategically sequence and complement their roles for maximum impact.

Attachment

OED Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Operations Evaluation Department assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, OED annually assesses about 25 percent of the Bank's lending operations. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The projects, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and field work conducted by OED. To prepare PPARs, OED staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions with project staff and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader OED studies.

Each PPAR is subject to a peer review process and OED management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are incorporated into the document that is sent to the Bank's Board. When an assessment report is released to the Board, it is also widely distributed within the Bank and to concerned authorities in member countries.

About the OED Rating System

The time-tested evaluation methods used by OED are suited to the broad range of the World Bank's work. The methods offer both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. OED evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (complete definitions and descriptions of factors considered are available on the OED website: http://wbln1023.worldbank.org/oed/oeddoclib.nsf/

Relevance of Objectives: The extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Possible ratings:* High, Substantial, Modest, Negligible.

Efficacy: The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Possible ratings:* High, Substantial, Modest, Negligible.

Efficiency: The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. *Possible ratings:* High, Substantial, Modest, Negligible. This rating is not generally applied to adjustment operations.

Sustainability: The resilience to risk of net benefits flows over time. *Possible ratings:* Highly Likely, Likely, Unlikely, Highly Unlikely, Not Evaluable.

Institutional Development Impact: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Institutional Development Impact includes both intended and unintended effects of a project. *Possible ratings:* High, Substantial, Modest, Negligible.

Outcome: The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project). *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development objectives and sustainability. Possible ratings: Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Contents

This report was prepared by Nagy Hanna, Task Manager, who assessed the project in January 2002. William B. Hurlbut edited the report. Helen Phillip provided administrative support.

Principal Ratings

	ICR*	ES*	PPAR
Outcome	Highly satisfactory	Highly satisfactory	Satisfactory
Sustainability	Highly likely	Highly likely	Likely
Institutional Development	Substantial	Substantial	Substantial
Borrower Performance	Highly satisfactory	Highly satisfactory	Satisfactory
Bank Performance	Satisfactory	Satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The Evaluation Summary (ES) is an intermediate OED product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

Project	Task Manager/Leader	Division Chief/ Sector Director	Country Director
Appraisal	Mohammad A. Mustafa	Barbara Kafka	Ram Chopra
Completion	Svet Tintchev	Jean-Claude Villiard	Inder K. Sud

Preface

This is a Project Performance Assessment Report (PPAR) of the Jordan Telecommunications Project (Loan 3738-JO) for which US$20 million was approved on May 26, 1994. The Loan Agreement became effective on June 27, 1995. The loan was closed on January 31, 2000, four months after the original closing date (September 30, 1999). The final total disbursed was US$15.4 million, and a balance of US$4.6 million was canceled.

The report was prepared by the Operations Evaluation Department (OED). The Implementation Completion Report (ICR) was prepared by the Middle East and North Africa Regional Office (Report No. 20717, July 26, 2000). The PPAR is based on the ICR, the President's Report, the project legal documents, and the Staff Appraisal Report (Report No. 12788, May 4, 1994). The report also benefited substantially from discussions with the borrower and sub-borrowers, a review of relevant project files, and other background material collected during an OED assessment mission to Jordan during January 14-22, 2002.

Following standard procedures, copies of the draft assessment report was sent to the relevant government officials and agencies for their review and comments. No comments were received.

BACKGROUND

1. The project objectives were to improve the efficiency of telecommunications services in Jordan by (a) developing a market-oriented sector policy and a transparent regulatory framework; (b) commercializing and subsequently privatizing the Jordan Telecommunications Corporation (JTC); (c) encouraging private investment in the sector; and (d) enhancing service quality, expanding network capacity, and increasing coverage.

2. The project objectives were supportive of the Government of Jordan's strategy for the telecommunications sector. They were also central to the Country Assistance Strategy (CAS), which emphasized financial restructuring, cost recovery, commercialization, and privatization of public enterprises to improve resource allocation and reduce burdens on the budget. The project was also consistent with the Bank's telecommunications sector strategy, which called for shifting the role of governments from ownership and management to policy-making and regulation, promoting efficiency and quality through commercialization of operational activities and competitive provision of services, and using new financial instruments (such as guarantees).

PROJECT DESIGN AND IMPLEMENTATION

3. The project had two broad components: sector restructuring and physical improvement of the network.

Sector Restructuring

4. This component was designed to help the government formulate and implement reforms that would lead to further development of the sector and facilitate opening up new possibilities for the private sector. Restructuring was implemented in two phases. The first phase, which was completed as a part of the project preparation, involved providing technical assistance to help the government and JTC prepare proposals for a new sector policy and a draft Telecommunications Law. As a result of the first phase, the government developed a new sector restructuring program to be implemented during the second phase of the project. The program consisted of five distinct but interdependent activities: (i) legal changes to provide a robust foundation for the new sector policy; (ii) a Sector Policy Division to be established at the Ministry of Posts and Communications (MOPC); (iii) an independent Regulatory Office to be established and staffed with trained professionals; (iv) commercial management and organizational development of JTC; and (vi) a strategy and an action plan for the privatization of JTC.

5. Throughout project preparation, the MOPC showed strong commitment to the sector restructuring program and ensured the support of other groups (Council of Ministers, Steering Committee, private sector, Association of Engineers, and JTC managers) by holding interactive workshops to debate issues and develop the sector policy.

Physical Improvements

6. The physical component was to comprise the following: (a) 225,172 additional lines of switching equipment; (b) microwave and optical fiber junctions to provide links between remote subscribers and corresponding main exchanges; (c) associated local networks for the connection

of subscribers; (d) power and air conditioning equipment; (e) buildings; (f) specific initial training for operation and maintenance of switching and transmission equipment; (g) formation of an initial spare parts stock; (h) consultant services for assistance in project management and supervision of implementation; and (i) computerized customer service, billing, collection, and operational support systems.

7. The physical component was well designed, yet very large and complex. It required strong project management, particularly for procurement. To ensure that JTC would have adequate capacity to manage this component, consultants (funded by BITS of Sweden) were hired to assist JTC with project management, procurement, monitoring, and reporting. An implementation plan was prepared outlining the interdependencies of the tasks to be carried out under this component, including a schedule for implementation. Despite these measures, the physical component experienced procurement and disbursement delays, mainly due to the borrower's initial lack of experience with bid preparation and evaluation. However, by the closing date the project had exceeded almost all of the physical targets.

Implementation and Adaptation

8. Several measures were taken to ensure that the project was be ready for implementation upon effectiveness. Before negotiations, all bidding documents were prepared and issued, a detailed project implementation plan was developed, and a comprehensive project management organization had been established.

9. The sector restructuring component was completed, but the preliminary timetable for the implementation of these reforms may have been overly ambitious. The initial delays in appointing sector restructuring consultants (financed under a grant from the U.K.'s Overseas Development Agency, ODA), and in the approval of the new Telecommunications Law by Parliament, had not been anticipated and consequently set back the timing of the reform process. The component was largely completed by the time of project closing, however, with the sale of a 40 percent stake in JTC to the private sector in early 2000.

10. There was a one-year delay between the project Board date and project effectiveness, mainly due to difficulties in meeting the conditions for effectiveness. The submission of the draft Telecommunications Law to Parliament was delayed, as was the issuance of the new by-laws granting JTC autonomy. The Bank also experienced some glitches in securing firm commitments from cofinanciers and in finalizing, with JTC, the bond issue. These unforeseen delays were perhaps inevitable learning costs for the borrower who was unfamiliar with privatization, and for both the Bank and the borrower, who were both unfamiliar with the use of guarantees in this sector. However, these initial delays were ultimately overcome, and a remarkable turnaround was achieved. Project procurement (preparation of bidding documents, bid evaluation and award, selection of consultants, etc.) was still able to move forward.

11. The Project Management Office (PMO) in JTC carried the bulk of the responsibility for implementing the National Telecommunications Program (NTP), the physical component of the project. The PMO was well staffed with a project manager, procurement specialists, and financial management specialists. The PMO benefited during project preparation and implementation from the international expertise of consultants from Telia Swedtel (financed by Swedish BITS and JTC).

12. Procurement management caused some initial delays in project implementation. Working with a consulting firm (Booz-Allen & Hamilton), JTC spent many months preparing the bidding documents for the computerized customer care system (item (i) in para 6), yet in the end no

bidder could adequately meet the technical specifications, an apparent shortcoming of the specifications. Bid evaluation took several months and was not carried out according to the evaluation criteria specified in the bidding documents. The Bank, therefore, did not give its clearance to the bid evaluation report.

13. Following a reallocation of disbursement categories in March 1999, procurement of the system (item (i) in para 6) using Bank funds was replaced by procurement of additional optical fiber, copper cables, and cable accessories (item (b)). That reallocation was consistent with project objectives and did not require formal project restructuring. It was determined that procurement of the customer care system could not be completed by the closing date of the loan and that it would be better to wait until the strategic partner was on board to finalize the design and selection of the system. The system has since been financed through JTC's own resources.

Costs and Financing

14. The project's original financing plan, revised loan amounts, and total disbursement at project closing (January 31, 2000) are shown in the table below:

Financing Plan (US$ million)

	Original Financing Plan			Revised	Disbursed
	Local	Foreign	Total	Loan Amount	(Jan. 31, 2000)
Internal Cash Generation	90	-	90	90	71
World Bank	-	20	20	20	15.4*
EIB	-	30	30	57	55
JBIC (Japan)	-	23	23	16	15.6*
ODA (UK)	-	6	6	6	6
BITS (Sweden)	-	4	4	2.2	6
Eurobond	-	50	50	50	36.1*
Total	90	133	223	241	201

*Disbursed as of June 28, 2000

15. Before effectiveness, the original financing plan was reduced by US$8.8 million (the JBIC loan was reduced to US$16 million and the BITS financing was reduced to US$2.2 million) to reflect cost savings on tenders for equipment and technical assistance. A second loan from EIB became effective in March 1996 to help finance additional works on the Local Line Plant, thus increasing EIB's total contribution to US$57 million. The revised overall financing for the project totaled approximately US$241 million.

OUTCOMES

16. The project led to significant improvement in access and service quality, JTC corporate development and privatization, and policy and regulatory framework. The project also achieved or surpassed many of the original performance indicators outlined in the Staff Appraisal Report (SAR). The project's period was marked by revolutionary technical change and worldwide improvements in the telecommunication sector, but judging by regional comparators, that progress was unlikely to have happened at the same pace in Jordan without this project. In fact, Jordan was the first in the MNA region to both privatize its telecommunication company and to establish an independent regulatory agency. And all this was achieved under one project.

17. The economy-wide benefits from the project are substantial. The project increased the level of private participation in the sector through the successful privatization of JTC and by

establishing a regulator, which helped to build investor confidence. The proceeds from the sale of JTC (US$508 million) brought an amount equivalent to 159 percent of the average annual inward direct investment flow for the period of 1997–99. Even beyond JTC, foreign interest in the Jordanian telecommunications sector has included the sale of a 51 percent stake in two local Internet service providers (ISPs) to the Bahrain Telecommunications Company and the sale of a 20 percent stake in Maktoob.com, the leading Arabic language communications server to Egypt's EFG-Hermes Venture Capital Fund.

18. New employment opportunities were generated through the development of new services and the addition of new service providers in the various market segments (cellular, paging, etc.). JTC's cellular subsidiary, Mobilecom, has created about 350 jobs in its first year. JTC also invested in acquiring Jordan's leading ISP, Global One. Businesses, which increasingly rely on telecommunications and Internet services to enhance productivity, greatly benefited from JTC's improved efficiency, service quality, and expanded network capacity, particularly for data communications. Improved telecommunications services are expected to allow business to have better access to international markets, creating new export opportunities and reducing purchasing costs.

19. A significant share of the project's economic benefits were realized by rural and low-income communities. By project closing, JTC had expanded its geographical coverage to include 356 new villages. In rural areas, manual service was replaced by remote digital line units and, as a result of exchange modernization, new value-added services were introduced for the first time to rural customers. Through tariff reduction, telecommunications services became more affordable for more consumers. Competition in the mobile sector has already resulted in an average 50 percent reduction in cellular tariffs. Even more dramatic is the growth of mobile subscribers from about 120,000 in 1999, to 685,000 in 2001 and an estimated one million in 2002, thus exceeding fixed-line subscribers.

20. Resource mobilization was one of the benefits of the project. The US$50 million Eurobond issue helped to mobilize private sector finances from the local and international markets that would have been otherwise placed in bank accounts or invested abroad. The bond issue may have helped to improve the overall image of the Jordanian economy, as reflected in the following upgrade of the country risk rating from "C" to "B" by the Economist Intelligence Unit, *Country Risk Service Report,* June 2000.

21. Perhaps as important is the contribution of this project to preparing the enabling environment and infrastructure for the broad development of the information communications and technology (ICT) sector and its contribution to Jordan's nascent knowledge-economy. Improvement and privatization of the information infrastructure addressed a key constraint and enabled the emergence of a growing number of Internet-based information and software services and raised the profile of the ICT sector at the highest levels of government and private sectors. Since then, various national policies and programs have been formulated for e-government, e-learning, and ICT industry promotion, and a vision of Jordan as a regional ICT hub has begun to guide a variety of legal, regulatory, and administrative reforms. The project suggests that telecommunications reforms could provide a strategic entry point to promoting knowledge-based services and building a knowledge-based economy (see lessons).

Cost Savings

22. By project closing, substantial savings had been achieved. In particular, the final contracts under the Bank loan for the procurement of copper cable and accessories and optical fiber cable and accessories, originally estimated to cost US$5.7 million, amounted to only US$1.4

million, partly due to successful use of international competitive bidding (ICB) procedures by the borrower. The remaining undisbursed balance of US$4.6 million under the Bank loan was canceled.

Policy and Regulatory Reforms

23. All of the reform measures initiated under the project were satisfactorily advanced: (a) the new Telecommunications Law, which allowed for the corporatization of JTC and the establishment of a regulatory authority, was approved by Parliament in September 1995; (b) the Telecommunications Policy Department (TPD) was established within the MOPC to provide forward-looking, long range policy advice to the government; (c) the Telecommunications Regulatory Commission (TRC) was established, staff were hired and trained, and more than 16 licenses for service providers were issued in a transparent manner; (d) the government's sector policy, promoting competition and private provision of services, was issued in early 1995; and (e) the privatization of JTC was successfully completed in January 2000, with 40% of shares and full management control by a strategic investor.

24. After issuing its Letter of Sector Policy (LSP) in 1995, the government proceeded to change its sector policy several times, creating uncertainty for potential investors in the sector. The original LSP indicated that competition in Public Service Telecommunications Network services (PSTN) would commence at the time of JTC privatization. In December 1996, however, the Council of Ministers (COM) issued a decree delaying introduction of competition in PSTN until 2002. Regarding the cellular segment, the COM issued a decree in November 1995 permitting a second cellular license. However, just before JTC's privatization, the second license was granted to JTC (rather than through a competitive bidding procedure) and the government announced it would award a third license later. A more consistent sector policy from the outset may have helped to avoid delays in the reform and to increase private investment in the sector.

25. Recent improvements in the policy and regulatory environment are encouraging, and continue to build on project experience and best international practice. A new telecommunications law was issued in February 2002. It aims to strengthen the independence of the TRC, and enhance the convergence of policies for telecommunications, posts, broadcasting, and information technology under the restructured Ministry of Information and Communications Technology (MoICT). This would further consolidate the reforms initiated under this project. Accordingly, "the 1995 law positioned Jordan at the forefront in the Arab world as far as the regulatory framework was concerned. With the 2002 law, we are at the forefront again."[1]

New Services and Private Sector Development

26. The project was highly successful in its overall objective of improving the coverage, efficiency, and quality of telecommunications services in Jordan. The outputs of the physical component generally exceeded the original estimates. Telephone service coverage was expanded to 25 new primary areas and 356 new villages. Teledensity (main lines per 100 inhabitants) increased from 7.7 in 1994 to an estimated 12.4 in 2000 (13.4 as of end of 2001). Installed switching capacity increased from 320,000 in 1994 to 840,000 in 1999, and the number of users and connections more than doubled from 287,000 subscriber lines in 1993 to 620,000 subscriber lines in 2000. A broader range of services is now available to customers on a competitive basis, including Internet, paging, cellular, and payphones. The cellular market is growing rapidly. FastLink, the country's first cellular provider and co-financed by IFC, increased its subscriber base from 11,500 in 1995 to more than 390,000 by end of 2000, and 680,000 by end of 2001.

1. Jordan Times web site, Amman, 18 Feb 02.

JTC's Mobilecom began operating at the end of 2000 and is also growing rapidly. A variety of small businesses have sprung up to service these telecommunication suppliers, including the cellular sets, and to take advantage of the improved information infrastructure.

JTC's Corporate Development and Privatization Process

27. The project also achieved its goal to commercialize and eventually privatize JTC. After an unsuccessful attempt at privatization in March 1998, the government re-launched the bidding process in April 1999, which resulted in the receipt of three competitive bids from reputable operators. On January 23, 2000, the privatization transaction was completed, and 40 percent of the company's shares, with management control, were sold to the Joint Investment Telecommunications Company (88 percent owned by France Telecom and 12 percent owned by the Arab Bank).

28. The initial attempt at JTC privatization was not successful for a number of reasons: (i) the Government of Jordan (GOJ) was not able to reach a political consensus among key stakeholders on the privatization strategy; (ii) the absence of a ministerial "champion" for the privatization, which may have been interpreted by potential buyers as a lack of commitment on the part of the GOJ; (iii) the GOJ did not undertake a comprehensive analysis of other privatization transactions around the world, which could have been used as a basis for setting realistic expectations; and (iv) the inability of the government to reconcile the issue of sovereignty and the perceived erosion of its patrimony of a key national public asset, against the urgent need to obtain management expertise and financial resources for enhancing that asset. Nevertheless, the government was able to adjust its expectations to market realities of the time, reconstruct its privatization strategy, and re-launch the tender using a revised information memorandum in May 1999. Following this second round of bidding, the privatization transaction was completed successfully in January 2000.

29. The one major shortcoming in achieving corporate development was the failure to develop the customer care system before project completion. The project envisaged an ambitious program to re-engineer these systems as a key way to support the information needs of the new organization and to enhance its service and market orientation. With Bank agreement, the project ended up canceling the customer care system component and reallocating project funds for this component to other legitimate investments. The strategic investor has since assumed responsibility for directing and financing the needed system. Although JTC had lost some critical time in preparing for competition, and the funds were reallocated to lower-priority investments, it could be argued that such systems are better left for the strategic investor to shape in line with their overall corporate strategy and experience. Early results of the new system are encouraging, but are not without glitches.

JTC's Financial Performance

30. JTC's financial performance during the project period (1994–1999) was strong enough to generate sufficient funds from operations to cover 35 percent of total project costs, close to the appraisal estimate, and to comfortably meet all financial covenants. However, JTC suffered pressure on revenues and profitability since then due to a combination of factors including a tariff rebalancing plan initiated in 1997 as part of the project, declining international revenues and a sluggish local economy. The tariff rebalancing was dictated by global market developments for international calls, and by the need to make adjustments to local rates to attract foreign investors and prepare JTC for competition. Despite strong growth in the physical telephone network with the number of subscribers increasing by 100 percent to 565,000 between 1994 and 1999 and telephone traffic (minutes billed) doubling as well, total revenues only grew by 29 percent.

Domestic revenues nearly doubled as the cross-subsidy from high international charges was reduced through tariff rebalancing, but international revenue grew by only 1 percent per annum and incoming international revenue declined by 11 percent per annum due to declining international settlement rates. Total revenues grew by just 5 percent per annum, while operating expenses increased 13.5 percent per annum, causing JTC's gross and net operating ratios to decline. As a result of these trends, average annual revenue per subscriber declined from JD 546 in 1994 to JD 342 in 1999, a decline of 37 percent. Further negative comparisons can be expected until the five-year tariff rebalancing program runs its course, unless JTC is able to increase revenues through more rapid growth in cellular traffic, data, and value-added services. This appears to be the current JTC strategy.

31. The company's financial position—though still strong—exhibited a gradual weakening during the period. Accounts receivable have been a continuing problem for JTC, growing faster than revenues until 1999, and provisions for uncollectable accounts have remained high at about two-thirds of receivables. This requires special attention by the new management. It is expected that the installation of a sophisticated customer care/billing system will help tighten commercial practices at the JTC and improve its financial position. A major change in corporate culture in already underway since privatization, with much stronger emphasis on business strategy, marketing, customer service, and financial performance. This change is likely to have an important impact on the competitive performance and economic contribution of the JTC, beyond the company's short-term financial position.

Economic and Financial Rates of Return

32. The documents showing the calculation of the **FRR and ERR** at appraisal could not be located for preparation of the ICR, so the financial and economic rates of return on the project have been calculated by the ICR on the basis of the incremental cash flows from the new investment financed by the project, over a 20-year period. The FRR is calculated at 20 percent, slightly less than the 22 percent calculated at appraisal. The ERR is 28 percent compared, with 24 percent at appraisal.

Guarantee Instrument and Resource Mobilization

33. For the first time in Bank lending to the telecommunications sector, the project financing included US$50 million funded through a Eurobond issue supported by an Expanded Co-financing Operation (ECO) Guarantee. The purpose of the guarantee was to provide JTC with a vehicle for private sector involvement in its investment program in the form of private sector debt and subsequent equity participation. A full evaluation of the use of such guarantee instrument in financing telecommunications infrastructure is obviously beyond the scope of this PPAR. More practice with this instrument in different contexts is also needed. But interviews with client and Bank staff who were involved point to the promise of this instrument, despite the learning costs involved.

34. The ECO Guarantee proved to be a viable instrument. It catalyzed private sector investment for the telecommunications program, provided a transitional vehicle to enhance asset value and facilitate later privatization, and opened the Eurobond market to Jordan. As it was the first bond operation for Jordan, which did not have a credit rating at the time, it also helped to establish a record for the country in international capital markets. Through the ECO bond operation, JTC became the first Middle Eastern corporation to tap the Eurobond market. Exposing the company to the commercial discipline of the capital markets helped commercialize JTC's corporate culture in preparation for privatization. In addition, the bond issue involved the participation of local banks and facilitated the mobilization of domestic foreign exchange deposits

for investment in the company. Following the very successful reception of the JTC bond, which was oversubscribed, Jordan was able to re-access the Eurobond market for subsequent bond operations without the Bank's support. Building on this success, guarantee instruments are now being considered by Jordan in the context of private sector participation in financing other infrastructures.

RATINGS

Outcome: Relevance, Efficacy and Efficiency

35. Project objectives were comprehensive and remained highly relevant to overall sector objectives. Physical improvement of the network exceeded the original objectives, at lower costs than estimated. Most service performance indicators improved, often substantially. The project introduced difficult policy and regulatory reforms, and institutional innovations. Competition increased significantly with the introduction of two mobile operators. It led to successful privatization and significant foreign private sector investment in the sector. It also led to economy-wide benefits. It set the course toward further legal and regulatory reforms, even after project completion. But because of the mixed performance at the outset of the project, the PPAR downgrades the outcome rating (from highly satisfactory in the ICR) to **satisfactory**.

Sustainability

36. The sustainability of the project's achievements is rated **likely**. The sector reform achieved under the project has already encouraged and will continue to encourage private participation in the sector. The newly privatized JTC is already engaged in further expansion and improvement of the fixed-line network to prepare for competition, following the end of their exclusivity period. The government intends to continue to promote competition in the sector through the award of a third GSM license, and perhaps two licenses for international operators in 2004. It is also planning to further privatize the JCT by selling part of its remaining shares. JTC's tariff rebalancing plan has been underway since 1997, and it is expected that the entrance of new operators in the sector will result in further tariff rebalancing as determined by the market. The recently approved telecommunications law further reinforces the independence of the regulatory authority and the policy role of the restructured MoICT.

37. All of the above should continue the progress made under the project to improve the efficiency and accessibility of telecommunications services in Jordan. But the sector is changing fast, and the regulatory framework and institutions are young. In particular, the capacity and technical capabilities of the TRC and of the policy unit at the MoICT remain weak and require further support to cope with mounting demands. Hence, sustainability cannot be taken for granted.

Institutional Development Impact

38. The institutional development impact of the project is rated **substantial.**

39. The project helped developed the capacity of the ministry to design and implement the sector restructuring program. The role of the ministry in policymaking was expanded with the creation of a Telecommunications Policy Department to advise on the introduction of new services and to promote and support the development of the telecommunications policy. The government, with project assistance, was able to successfully implement a large program that included legal, sector policy, and regulation activities as well the strategy and action plan for the privatization of JTC. However, the new policy department remains relatively passive, weak, and

heavily dependent on international consultants, in part owing to its inability to attract scarce but needed skills. This policy capacity gap will be an increasing problem as the new MoICT redefines its role and assumes broader functions in policy setting and in coordinating e-government and other national ICT initiatives, in line with international best practices and the convergence of information and communication technologies..

40. Throughout the life of the project, JTC improved its capacity for financial management, as demonstrated in the financial performance ratios, which generally exceeded those stipulated in the financial covenants of the Loan Agreement. JTC also improved its capacity to carry out the procurement of goods under international competitive bidding procedures. Although initially weak in this area, by project closing, JTC had effectively reduced project costs through successful international competitive bidding and contract negotiation procedures. However, capacity for marketing and customer care were not adequate under the project, and the impact on staff of uncertainties during the transition toward privatization could have been more effectively addressed.

41. TRC's institutional capacity to regulate the sector was developed under the project. The new Telecommunication Law of 2002 is likely to enhance the credibility of TRC as it ensures that the board of directors of TRC will be full time and fully independent of the ministry. But the regulator currently lacks expertise, is unable to attract or retain key skills, and is heavily dependent on the government for its budget. Moreover, local demand and commitment for regulatory expertise and independence remain weak. It is apparent that TRC could benefit from broader political support to strengthen its authority as a regulator, from further TA (study tours, workshops, twinning with experienced regulatory agencies) and from financing for the set-up of a proper frequency management system, including equipment.

42. The institutional capacity developed under the project is most clearly demonstrated in the ability of all three parties (government, JTC and TRC) to learn from the mistakes of the initial unsuccessful attempt to privatize JTC, revitalize the bidding process a second time, and successfully complete the privatization transaction.

Bank Performance

43. This assessment agrees with the ICR and rates the Bank's performance **satisfactory**. The Bank team generally processed project modifications, including extensions of the effectiveness date, a credit reallocation, and one extension of closing date, in a manner that responded to the borrower's needs. Bank staff worked closely and in partnership with the policymaking and implementing agencies to push sector reform ahead and to monitor physical progress. The Bank gave timely and candid advice to GOJ in maintaining a consistent sector policy, in following international best practice for the privatization transaction and in establishing a credible and transparent regulatory environment. Timely and trusted advice was also critical in averting policy reversals and in securing successful privatization. But this advice was often limited to a reform-minded minister and his few trusted advisors, and thus the reform process remained fragile. In particular, Bank assistance to institutionalize the policy making and regulatory functions should have been given more attention.

44. The Bank also assisted in securing the co-financing for the project (including critical technical assistance), which involved five different donors, with the loan from JBIC (formerly the Japan Exim Bank) being administered by the Bank. The early provision of quality technical advice to the GOJ for sector restructuring and to JTC for implementation of the physical component greatly contributed to the overall success and sustainability of the project. The involvement of several donors enabled the government and the Bank to use complementary

instruments to finance policy, institutional, and physical improvements. The project also successfully piloted the use of a World Bank Guarantee in the telecommunications sector.

45. The Bank and IFC played complementary roles, although at times provided the borrower with divergent views. IFC investment in FastLink provided a demonstration effect, suggesting what can be delivered by a private enterprise with global expertise. But, IFC involvement was short and opportunistic. In contrast, the long-term and in-depth involvement of the Bank was perceived by the stakeholders as more fundamental to the overall health of the sector. The telecommunications law, supported by the Bank, has opened new opportunities for IFC assistance, particularly in mobile and Internet-enabled services.

46. Bank performance at identification, preparation, and appraisal of the project was satisfactory. The project team built on the relationship developed between the Bank and GOJ during the preparation of the First Telecommunications Project (loan 2953-JO), a project that was approved by the Board but canceled shortly after by the government due to changes in the macroeconomic conditions in Jordan. During the 12 months of preparation, the Bank maintained a close dialogue with the GOJ to ensure that the project objectives were in line with the government's goals for the sector.

47. The staff mix and continuity during preparation and implementation were satisfactory. Financial analysts and telecommunications engineers provided the core expertise, while information technology and Private Sector Development specialists also provided valuable input in missions and as peer reviewers. Several of the preparation missions included the participation of a Financial Officer from the Project Finance and Guarantees Department to deal with issues relating to the World Bank Guarantee. But the project could have benefited from including a regulatory economist.

48. There was clear recognition at preparation of the project risks, namely the potential for political interference in the implementation of the sector restructuring and the risk of delays in the investment part of the program due to procurement or insufficient institutional capacity. These risks were discussed with the borrower during negotiations and the agreements reached to minimize these risks through appropriate loan conditions, and more important, through effective and continuous dialogue during implementation..

49. The borrower noted that in several instances there were delays in obtaining the Bank's non-objection on procurement matters, and at times, less timely guidance than needed. From the client's perspective, more flexibility in procurement and utilization of funds was desirable to ensure that the user agency could make adjustments within an agreed framework, to take into account changes in requirements due to market and technological developments. Market-driven clients, particularly those in fast-moving industries like telecommunications, consider the rules and procedures applied by financial institutions, such as the World Bank, to be particularly complicated and time-consuming.

50. The Bank was flexible in its approach and timing for privatization and correctly emphasized establishing the necessary conditions for a competitive sector over privatization per se. Following the cancellation of the first telecommunications project, this loan emphasized creating the necessary policy and regulatory environment, and preparing for privatization, without insisting on privatization during implementation. Time was used to nurture local champions for reforms and to build a shared vision of the sector, beyond privatization. This may have averted the pressure to use privatization mainly to maximize revenues from sales at the expense of long-term sector development.

51. Also, following the first attempt at privatization of JTC, the Bank participated in a mission, with two external consultants, to provide the government with a neutral and independent perspective of international experience in telecommunications privatization transactions. This mission, which was carried out at the request of the Chairman of the Executive Privatization Unit, analyzed the reasons for the failure of the first attempt and helped the government re-think its privatization strategy in order to re-launch the bidding process with successful results.

52. The Bank used a variety of instruments for its assistance, in complementary ways. This investment project was complemented by several technical assistance activities for policy and institutional development. The adjustment loans (ERDLs) provided added momentum to the privatization process. But this project (sector investment loan) provided an opportunity to build a long-term partnership and trust between the Bank and key stakeholders. Sector investment, rather than the multi-sector ERDLs, was also important in addressing sector-specific and complex issues and in preparing the sector for privatization.

Borrower Performance

53. Borrower performance is rated **satisfactory,** mainly because of a mixed performance at the start of the project.

54. The quality of the borrower's commitment and contributions to project preparation were notable. In the restructuring program, for example, the government and JTC took several steps to ensure the support of key stakeholders: (a) in the process of developing the sector policy, the Council of Ministers, the Steering Committee, the private sector, the Association of Engineers and JTC managers worked closely and debated issues in workshops held for this purpose; and (b) in order to ensure the ownership of its middle management, JTC established working groups to serve as "change agents" to help explain to staff the objectives, expected outcome, and benefits of the reform process.

55. In the investment component, the borrower organized program management on two levels: (a) a Program Management Unit, responsible for strategic issues, including global scheduling, information management, financial and contractual matters, human, resources planning, and technical advice, was established in 1994; and (b) a project management structure was defined to handle micro-scheduling and implement supervision of the different works. Before negotiations, the borrower had developed a detailed project implementation plan, and the bidding documents for all major procurement had been prepared and issued.

56. The government, especially the Project Management Unit, was responsible for implementation of the sector restructuring component. Although there were some delays along the way, given the overall progress made on the sector reform during the period of 1994 to the present (Telecommunications Law adopted and subsequently improved, Sector Policy Statement issued, regulatory agency established, policy division in MOPC created, and corporatization and subsequent privatization of the telecommunications operator), the government's performance can be considered satisfactory.

57. The implementing agency's (JTC) performance was highly satisfactory. JTC provided quarterly progress reports on a regular basis with performance indicators generally exceeding expectations. Financial management of the project was carried out in a very professional manner. Audit reports were adequate, and the financial covenants, as specified in the Loan Agreement, were adhered to. Given the high level of overall funding (US$250 million), JTC did an excellent job of managing the various grants and loans and ensuring that funds were used properly. The

success of the bond issuance (ECO Guarantee) further demonstrated JTC's maturity in financial management practices.

58. Procurement management, however, was a problem during the initial phase of project implementation. Multiple layers of review in the national public procurement system (JTC, national tender board, Ministry of Planning, etc.) sometimes delayed the bid evaluation process by 4 to 6 months. Procedural delays frequently made it necessary to update the technical specifications of the various tenders to take into account new technologies and to request variation orders to signed contracts. Although JTC noted that they felt the Bank's procurement procedures were time-consuming and did not allow for flexibility, they did manage to use ICB procedures effectively to reduce equipment prices resulting in significant project cost savings.

59. Despite these initial difficulties, JTC's management of the physical component of the project was highly successful and generally exceeded expectations.

60. Borrower's management of the privatization process was also highly satisfactory, as it involved quick adjustment and incorporation of lessons learned. The borrower sought to learn from international best practices, and when it was not confident in the international financial advisor concerning privatization, it sought a second opinion from the Bank. Also, the implementation of the privatization program was carried out in a transparent manner, with the support of a central privatization unit and an inter-ministerial committee, headed by the Prime Minister.

61. This high-level support was important to privatization of a major national asset. But it is unlikely that privatization would have been successful had it been driven primarily top down, by the central privatization unit, or under a short-term multi-sectoral adjustment loan. The central mechanisms were useful as they built on the dynamics and institutions already nurtured by the sector investment loan. The minister of telecommunications and other sector leaders were essential actors to creating the new vision and to countering the substantial resistance to privatization.

LESSONS

- *Privatization is likely to be effective in producing improved performance only when the necessary policy and regulatory framework is created first. Moreover, in pursuing privatization, borrowers should be encouraged to move to competition in all segments of telecommunication services as early as possible.* The temptation to use privatization mainly to maximize revenues from sales for the MOF (and fees, based on sale price, for the financial advisor) is always strong, but this should be balanced against the need to create a competitive and dynamic infrastructure in support of sustained growth. The project suggests that a sizable share of the observed sector improvement results from regulatory changes that promote competition, as evidenced from the dramatic decline in service prices with the entry of a second mobile operator in Jordan.

- In hindsight, the exclusivity period granted to JTC (4 years) could have been shorter, to allow for competition in fixed line communications and for more room for regulation, as early as feasible. Of course, this judgment must be balanced against other factors, such as the availability of interested strategic investors, and the size and attractiveness of the local market. A shorter exclusivity period could have delayed the sale and reduced the price, and Jordan needed to move fast to support the momentum for privatization, and demonstrate the feasibility and benefits of successful private participation in a major and fast changing infrastructure.

- *Wholesale, top down privatization is unlikely for complex infrastructures, and consensus at the sectoral level is often necessary to successful privatization.* A key feature of Jordan's privatization program has been to strive for consensus and thus put high priority on transparency. Although this has led to slower progress in making privatization deals, progress was more sustainable. In this case, it is unlikely that privatization would have been successful had it been driven primarily by the central privatization unit. A multi-sectoral adjustment loan and a central privatization unit proved useful, but only because they built on the dynamics and institutions already nurtured by the sector investment loan. A consistent sector policy and strong display of government commitment is also crucial in attracting private investors. Privatization transactions should be preceded by nurturing local champions for reforms and a shared vision of the sector, beyond privatization. Phased privatization, use of guarantees, and demonstration effects (e.g., by allowing an early entry of a private mobile company into the market) can also help to overcome resistance to privatization.

- *Building regulatory institutions is a fragile, long-term process and therefore local demand for reform must be nurture, and building capacity supported over a long time horizon.* It does not end with the creation of the independent sector regulator. It requires nurturing of local demand for and broader ownership of an effective regulatory agency. Capacity building takes time. The fast change of technologies and markets for telecommunications also demand continuous retooling of regulatory institutions and frequent updating of policies and regulatory frameworks. As regulatory agencies are new institutional innovations in Jordan (and most developing countries), their authority, competency, and autonomy are usually subjected to many challenges. Although the telecommunications regulator was successfully established and staffed under the project, more attention could have been given to building the capacity of the regulator through more specialized training and study tours, and to emphasizing the importance of complete separation of the regulator from the ministry, including the allocation of a separate and independent budget for the TRC. Despite higher compensation for its staff, the regulatory agency continues to lack a critical mass of expertise, particularly in cutting-edge areas.

- *Development of strategic information systems components is a demanding and complex task, requiring significant attention and expertise from the Bank and borrower.* This is due to a number of factors, but the most common and critical one is the inadequate skills and attention usually given to these components on the Bank side, and the lack of local expertise to ensure that consulting firms perform according to international best practices and in response to local needs. This project ended up canceling the customer care system component and reallocating funds to lower-priority investments.

- *Partnerships and cofinancing can enrich the instruments and options available for sector assistance, using such instruments as technical assistance, investment, and adjustment lending. These instruments should be strategically selected and sequenced to help support a comprehensive and sustainable sector development. In particular, the Bank and IFC should strategically sequence and complement their roles for maximum impact.* Partnership with several donors enabled the client to draw on a variety of technical assistance and advisory services that would have not been possible otherwise. Bank expertise and long-term involvement with this sector investment project enabled the Bank to provide quality assurance, second opinions, or independent judgment when the client was not sure or unsatisfied with other advisory services.

- This investment project was complemented by several technical assistance activities to develop the telecommunication law, build the policy unit and regulatory agency, and privatize the JTC. The adjustment loans (ERDLs) provided added momentum and new champions to the privatization process. But the sector investment loan provided the opportunity to build a long-term partnership and trust between the Bank and key stakeholders, and to provide timely and embodied advice. It was thus essential in preparing the company to attract a strategic investor, supporting the ministry to establish the necessary policy and regulatory framework, and averting several pitfalls along the way toward privatization and effective regulation. Skepticism about the efficacy of public investment prior to privatization was addressed by limiting the loan amount ($20 million), focusing on robust and core investments (except for the customer care system, which was ultimately dropped), avoiding overinvestment (a common pitfall) prior to privatization, and relying on a bond issue that subsequently raised the confidence of bidders in the firm's financial management.

- IFC investment in FastLink provided a demonstration effect, suggesting what can be delivered by a private enterprise with global expertise. But IFC involvement was short, narrow, and opportunistic. In contrast, the long-term and in-depth involvement of the Bank is perceived by the stakeholders as more fundamental to the overall health of the sector. Also, Bank involvement made it possible to amend telecommunication company law to permit the entrance of the private sector mobile communication. Ideally, Bank and IFC assistance should be sequenced and timed to facilitate and sustain change

- *Telecommunications reform is often a critical entry point for the country to use information technology in all sectors and to build a knowledge economy.* The telecommunications reforms initiated under the project helped upgrade the key infrastructure for building such an economy, and enabled Jordan to set higher expectations toward becoming a regional hub for ICT. It also demonstrated the potential employment and value-added services that can be generated by a dynamic information infrastructure. It is therefore not surprising that the Ministry of Post and Communications is currently being upgraded and restructured for a broader, more strategic role than the Ministry of Information and Communications Technology. According to this new role, the MoICT will lead the process of formulating and implementing the national ICT strategy, working with other concerned ministries and the private sector.

- *Jordan presents a major opportunity for using ICT to transform a whole economy; the Bank should therefore build on its success and take a more comprehensive view of this sector in support of Jordan's vision.* The Bank is already preparing two programs where ICT could play a critical role: public sector reform (including e-government) and educational reform (including e-learning). But integrating ICT into these sectors most effectively will require overall understanding of the linkages between public sector and education reforms, on the one hand, and the ICT (as a common infrastructure and capability), on the other. It may also suggest selective assistance for the country's ICT initiatives, including the promotion of ICT and its strategic application in key sectors. There is a very strong commitment at the highest levels to Jordan's use of the ICT to transform itself into a knowledge-based economy and to become a regional hub for ICT-enabled services. Despite ambitious targets, early responses from the public and private sectors in support of this vision are encouraging. The Bank could build on its early partnership and success in the telecommunications area, help Jordan set realistic expectations for an ICT-enabled development strategy, and complement the activities of other donors in this promising area..

Annex A. Basic Data

JORDAN TELECOMMUNICATION (LOAN 3738-JO)

Key Project Data *(amounts in US$ million)*

	Appraisal Estimate	*Actual or current estimate*	*Actual as percent of Appraisal estimate*
Total project costs	222.62	282.84	

Project Dates

	Original	***Actual***
Appraisal	January 19, 1994	
Effectiveness	October 26, 1994	June 27, 1995
Project completion	April 28, 1993	
Closing date	September 30, 1999	January 31, 2000

Staff Inputs (staff weeks)

	Actual
Identification/Preparation	86
Appraisal/Negotiation	41
Supervision	173
Completion	
Total	300

Mission Data

	Date (month/year)	*No. of persons*	*Staff days in field*	*Specialization represented*[1]	*Performance rating*[2] Implementation Status	Development objectives
Identification/ Preparation	6/93	4		FA(1), TE(2), FO*(1)		
Appraisal/ Negotiation	1/94	7		(2)FA(1), TE(3), FO*(1),IS(1)		
Appraisal/ Negotiation	5/94	2		(1)FA, (1)FO*		
Appraisal/ Negotiation	10/94	2		(1)FA, (1)FO*		
Supervision 1	4/95	2		FA(1), TE(1)	S	HS
Supervision 2	7/95	2		FA(1), TE(1)	S	HS
Supervision 3	12/95	2		FA(1), TE(1)	S	HS
Supervision 4	7/96	2		FA(1), TE(1)	S	S
Supervision 5	3/97	2		FA(1), TE(1)	HS	S
Supervision 6	9/97	1		FA(1)	S	S
Supervision 7	5/98	2		FA(1), TE(1),	S	HS
Supervision 8	12/98	2		FA(1), TE(1)	S	S
Supervision 9	6/99	1		TE(1)	S	S
ICR	12/99	2		TE(1), (1)PA	S	HS

[1] FA = Financial Analyst, TE = Telecom Engineer, FO = Financial Officer; IS = Informatics Specialist.

[2] S = Satisfactory, HS = Highly Satisfactory

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IMAGING

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