



RCIP4 - Regional Communications Infrastructure Program - APL 4 (RI) (P118213)

AFRICA | Africa | Digital Development Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 13 | ARCHIVED on 09-May-2019 | ISR36620 |

Implementing Agencies: Cellule de réformes économiques et financières (CREF) - Ministère des Finances et du Budget, Bureau RCIP-4 (4th Phase of the Regional Communications Infrastructure Program)

Key Dates

Key Project Dates

Bank Approval Date: 10-Sep-2013

Effectiveness Date: 19-Nov-2013

Planned Mid Term Review Date: 14-Sep-2015

Actual Mid-Term Review Date: 14-Sep-2015

Original Closing Date: 30-Jun-2018

Revised Closing Date: 30-Jun-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objectives of this project, in line with the overall RCIP program, are to support the Recipient's efforts to lower prices for international capacity and extend the geographic reach of broadband networks.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Enabling Environment: promote further regional market integration, sector liberalization (through the award of a second license), and legal and regulatory reforms.:(Cost \$4.00 M)

Connectivity: finance Comoros's membership and participation in the FLY cable and provide demand stimulation through advance purchase of capacity, promotion of ISPs and establishing an IXP.:(Cost \$25.00 M)

Project management: support to finance project management costs including project coordination, procurement, financial management, monitoring & evaluation, etc.:(Cost \$3.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

The project is on track to meeting the PDO. The original financing envelope has been fully disbursed. On September 28 2018, US\$10m in additional financing (AF) was approved by the Board and a new financing agreement was signed by the Ministry of Finance on November 19 2018. The project team is now supporting a new round of procurement, which will speed up disbursement of AF and launch a new set of activities. The project



currently complies with all legal covenants, and the disbursement condition for the additional financing has been met with the authorization of an additional ISP.

ADDITIONAL FINANCING has (i) replenished the budget for regulatory activities and project management under Components 1 and 3 as well as (ii) enabled a scale-up of the successful demand stimulation program, by launching a second phase that targets central government ministries, department and agencies (MDAs) and introduces new foundational e-government activities under sub-components 2.2 and 2.3.

KEY ACHIEVEMENTS:

- **The progressive liberalization of the telecoms sector** (under Component 1), notably through: (i) the passage of the 2014 Communications Act, creating a platform for competition (ii) the licensing and launch of a second operator (Telma) (in Dec 2016), which has since gained over a third of the market and doubled mobile subscription baseline figures; and (iii) the launch of a new authorization regime for ISPs (in 2018) that has resulted in the **authorization of at least four new ISPs (thus meeting the disbursement condition for additional financing for Component 1)**. A further four ISP licenses have also been issued as of May 2019.
- **The construction of the new FLY-LION 3 landing station and regional undersea cable from Moroni to Mayotte** (under sub-component 2.1), laid by Nokia Submarine Systems: (i) funds were transferred to the central billing party (in 2017), following the achievement of all disbursement conditions, including the creation of a new SPV (Comores Cables); (ii) all required environmental impact / social safeguards studies have been completed prior to the start of construction; (iii) the landing station construction is underway, and the rooms to house the landing station equipment and electricity supply (batteries and back-up generator) are completed; (iv) the **cable arrived in Moroni in Feb 2019** and is expected to be operations by June 2019; (v) the terrestrial segment linking the beach to the landing station is complete and a second link between the two existing landing stations is underway.
- **A successful first phase of the demand stimulation program** (under sub-component 2.2 & 2.3), through the provision of: (i) basic IT equipment; (ii) advanced purchase of connectivity; and (iii) basics IT skills and maintenance training to beneficiaries initially targeted (i.e. school, universities, community associations and local authorities). The second phase target also federal government ministries, departments and agencies..
- **An increase in private sector investment:** (i) nationally, through Telma’s US\$45m investment in a domestic 4G mobile network and fiber backbone (plus recent IFC commitment to invest US\$16m in Telma); (ii) regionally, through US\$12m in co-invest by Orange and SRR in the FLY-LION3 cable; and (iii) additional investments in ISPs and two new mobile money services.
- **The disbursement of all original project funds**, in full.
- **US\$10m in additional financing (AF)** (signed in Nov 2018)

RECENT DEVELOPMENTS:

- **A new round of procurement that will speed up disbursement of the AF**, primarily pertaining to feasibility studies that will support the digitization of government services.
- **The launch of a new co-working space**, aimed at tech-start ups.
- **A budget, work- and training plan has been approved for 2019** by the new steering committee, which now includes representatives from the SGG’s office.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● High	● High
Macroeconomic	--	● Substantial	● Substantial
Sector Strategies and Policies	--	● Substantial	● Substantial
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Substantial	● Substantial
Stakeholders	--	● Substantial	● Substantial
Other	--	● Substantial	● Substantial

Overall -- ● Substantial ● Substantial

Results

PDO Indicators by Objectives / Outcomes

Support the recipient's effort to lower prices for international connectivity				
▶ International Internet Bandwidth (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	175 Mbit/s	--	10885 Mbit/s	3611 Mbit/s
Date	31-Dec-2011	28-Dec-2017	28-Dec-2017	30-Jun-2021
Comments:	Measured in Mbit/s simplex			
▲ International Internet Bandwidth per inhabitant (Text, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	232 bit/s	--	13.7 kbit/s	4.13 kbit/s
▶ Average price of wholesale internet capacity (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5,500.00	18.70	18.70	1,000.00
Date	29-Jun-2012	28-Dec-2017	28-Dec-2017	30-Jun-2021
Comments:	Average monthly price of wholesale internet capacity (E1 or 2 Mbit/s link) from the capital city to Europe			

Support the recipient's efforts to extend the reach of broadband networks				
▶ Access to Internet Services (number of subscribers per 100 people) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.70	81.39	81.39	37.70
Date	31-Dec-2011	31-Oct-2018	31-Oct-2018	30-Jun-2021
Comments:	Based on total internet subscription figure, divided by latest population figure. However, given that the population is likely to be larger than current figures suggests (in the absence of an updated census), and many people hold more than one sim-card, due to the absence of interoperability, this figure is likely to be somewhat inflated.			
▲ Total number of Internet subscriptions (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	5,416.00	360,980.00	360,980.00	300,000.00
▲Mobile internet subscriptions (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	359,336.00	359,336.00	295,000.00
▲Population (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	735,375.00	813,912.00	813,912.00	800,000.00
▶Total number of mobile subscriptions (per 100 inhabitants) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.39	81.00	81.00	72.75
Date	31-Dec-2011	31-Oct-2018	31-Oct-2018	30-Jun-2021
Comments:	The indicators reflects quarterly subscriptions figures divided by latest population data.			
▲Mobile subscriptions (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	216,438.00	659,336.00	659,336.00	582,000.00
▶Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	442,898.00	442,898.00	365,562.00
Date	31-Dec-2012	31-Oct-2018	31-Oct-2018	30-Jun-2021
Comments:	Direct beneficiaries are people or groups who directly derive benefits from an intervention. New mobile subscribers, since the project's inception, is used as a proxy for direct beneficiaries. This assumes that lower prices and quality improvement, stemming from changes to the regulatory environment and the introduction of competition that have been facilitated by the project have driven a rise in users.			
▲Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	50.00	50.00	50.00

Overall Comments

Indicators will be updated once year-end 2018 statistics are available.

Intermediate Results Indicators by Components



1. Enabling environment				
▶Number of licensed ISPs (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	3.00	8.00	4.00
Date	31-Dec-2011	31-Oct-2017	03-May-2019	30-Jun-2021
Comments:	Number of Internet Service Providers licensed to offer services in Comoros			

2. Connectivity and demand stimulation				
▶Broadband Internet Subscriptions (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	150.00	360,980.00	360,980.00	300,000.00
Date	31-Dec-2011	31-Oct-2018	31-Oct-2018	30-Jun-2021
Comments:	Internet subscriptions in excess of 256 kbit/s This figures captures current mobile internet, plus fixed-broadband subscribers.			
▲Mobile broadband subscribers (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	359,336.00	359,336.00	295,000.00
Date	31-Dec-2011	31-Oct-2018	31-Oct-2018	30-Jun-2021
▲Fixed and mobile broadband subscriptions per 100 inhabitants (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.02	46.12	46.12	37.70
▲Broadband subscribers as a percentage of total ICT subscriptions (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.04	55.20	55.20	50.00
▶Number of E-Systems connected to an interoperable Government-administered digital platform (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	02-Jul-2018	31-Oct-2018	26-Apr-2019	30-Jun-2021
Comments:	This is a new indicator, which measures the number of e-Government systems that are connected to a public and interoperable platform. Candidates include e-Visa, eProcurement, Business registration etc			



►Number of female beneficiaries of the co-working space (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	02-Jul-2018	31-Oct-2018	26-Apr-2019	30-Jun-2021
Comments:	This is a new custom indicator, which is intended to measure the number of users of the proposed co-working space who are female. To calculate the percentage of users who are female, it will also be necessary to collect the total number of users of the space.			
►Number of crowdsourced reports from citizens on quality of service for telecommunication services (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	4.00
Date	28-Jun-2018	25-Oct-2018	26-Apr-2019	30-Jun-2021
Comments:	This is a report on the quality of telecommunication services, which is compiled from crowdsourced reports from citizens. It thus also serves as an indicators of citizen engagement. It is intended to be reported twice yearly and should show trends over time and between regions.			

Overall Comments

An additional four ISPs have been licensed, as of 3 May 2019, in addition to the four already licensed at 31 December 2019. Other subscriber numbers will be updated on the basis of year-end 2018 statistics, as submitted by ANRTIC to ITU. This has been requested.

Feasibility studies are underway for a number of eSystems, including, eVisa, Government registry and eProcurement.

The co-working space is in the start-up phase.

A contract for the quality-of-service observatory has been re-tendered.

Data on Financial Performance

Disbursements (by loan)

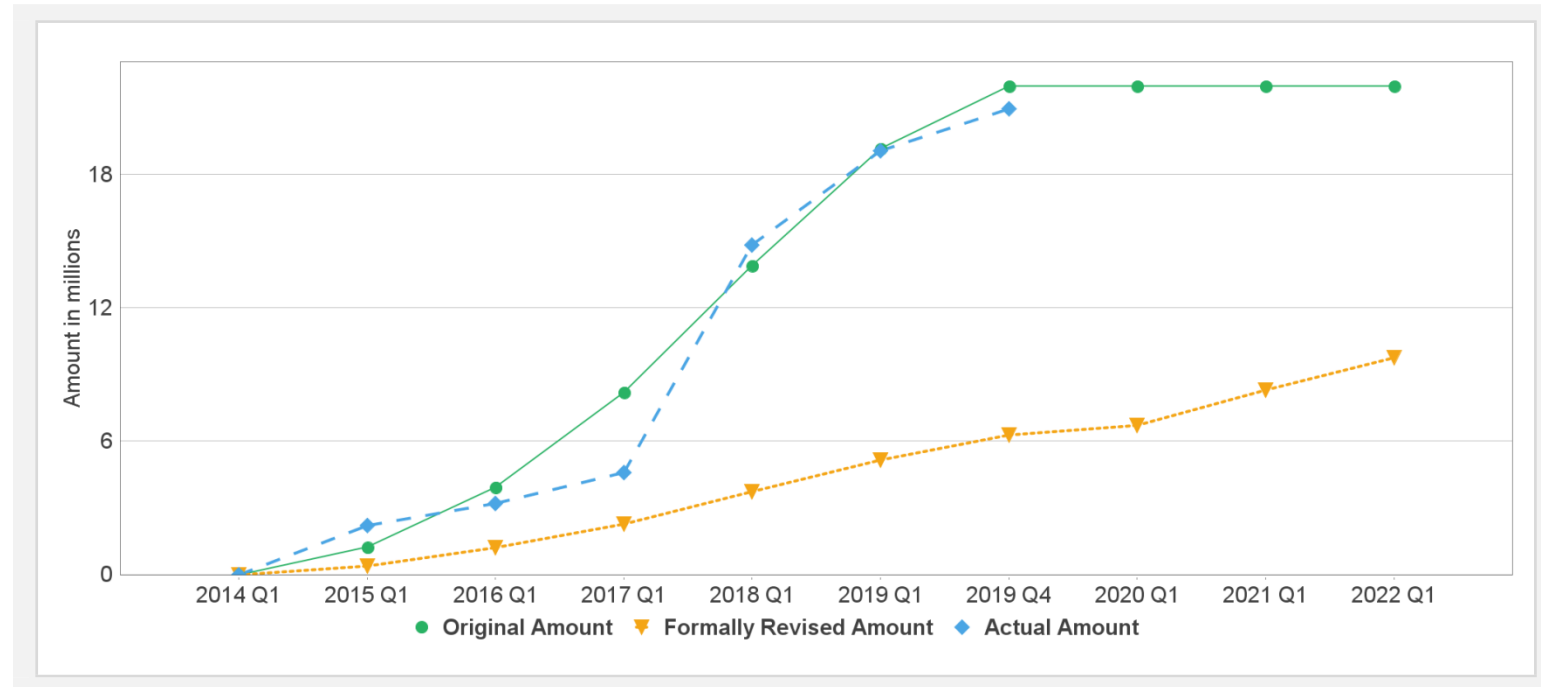
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P118213	IDA-D3820	Effective	USD	10.00	10.00	0.00	0.80	9.18	8%

P118213	IDA-H8780	Effective	USD	22.00	22.00	0.00	20.17	0.00	<div style="width: 100%; height: 15px; background-color: #4CAF50;"></div>	100%
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Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P118213	IDA-D3820	Effective	28-Sep-2018	19-Nov-2018	19-Nov-2018	30-Jun-2021	30-Jun-2021
P118213	IDA-H8780	Effective	10-Sep-2013	24-Sep-2013	19-Nov-2013	30-Jun-2018	31-Dec-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 28-Feb-2018

Related Project(s)

P166737-Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program