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Report No: PAD414

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON

A PROPOSED CREDIT
IN THE AMOUNT OF SDR 20.1 MILLION
(US\$30 MILLION EQUIVALENT)

TO THE ISLAMIC REPUBLIC OF MAURITANIA

AND

A PROPOSED CREDIT
IN THE AMOUNT OF SDR 20.1 MILLION
(US\$30 MILLION EQUIVALENT)

TO THE REPUBLIC OF TOGO

FOR THE

THE 2nd PHASE OF THE WEST AFRICA REGIONAL COMMUNICATIONS
INFRASTRUCTURE PROGRAM (WARCIP APL 2)
MAURITANIA AND TOGO PROJECTS

May 02, 2013

ICT Sector Unit
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2013)

Currency Unit	=	SDR
	=	
US\$1	=	SDR 0.67

	FISCAL YEAR	
January 1	–	December 31

ABBREVIATIONS AND ACRONYMS

\$	United States dollar, all dollars are US dollars unless otherwise indicated
ACE	Africa Coast to Europe
AfDB	African Development Bank
AICD	Africa Infrastructure Country Diagnostic
AMU	Arab Maghreb Union
ANGE	<i>Agence Nationale de Gestion Environnementale</i> National Environmental Management Agency
APAUS	<i>Agence de Promotion de l'Accès Universel</i> Universal Access Development Agency
APL	Adaptable Program Loan
AQMI	<i>Al-Qaida au Maghreb Islamique</i> Al Qaeda in the Islamic Maghreb
ARAP	Abbreviated Resettlement Action Plan
ARE	<i>Autorité de Régulation</i> Regulatory Authority
BP	Bank Procedures
C&MA	Construction and Maintenance Agreement
CAS	Country Assistance Strategy
CCL	Cable Consortium for Liberia
EASSy	Eastern Africa Submarine Cable System
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EIA	Environmental Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FM	Financial Management
GAMTEL	Gambia Telecommunications Company
GDP	Gross Domestic Product
GoBF	Government of Burkina Faso

GoG	Government of Guinea
GoTG	Government of the Gambia
GoT	Government of Togo
GSM	Global System for Mobile Communication
ICT	Information and Communication Technology
IDA	International Development Association
ISP	Internet Service Provider
ITES	Information Technology Enabled Services
ITU	International Telecommunication Union
IXP	Internet Exchange Point
LDC	Least Developed Country
M&E	Monitoring and Evaluation
Mbit/s	Megabit per second
OP	Operational Policy
ORAF	Operational Risk Assessment Framework
PAD	Project Appraisal Document
PDO	Project Development Objective
PIU	Project Implementation Unit
PPA	Project Preparation Advance
PPP	Public Private Partnership
RIAS	Regional Integration Assistance Strategy
RPF	Resettlement Policy Framework
R-PRSP	Regional Poverty Reduction Strategy Paper
SAT-3/WASC	South Atlantic 3/West Africa Submarine Cable
SME	Small and Medium Enterprise
SPV	Special Purpose Vehicle
SSA	Sub-Saharan Africa
TA	Technical Assistance
WARCIP	West Africa Regional Communications Infrastructure Program
WBG	World Bank Group

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MAURITANIA TECHNICAL ANNEX

WARCIP MAURITANIA

TOGO TECHNICAL ANNEX

WARCIP TOGO

PAD DATA SHEET

Africa

*The 2nd Phase of the West Africa Regional Communications Infrastructure Program
(WARCIP APL 2) – Mauritania and Togo Projects (P123093)*

PROJECT APPRAISAL DOCUMENT

AFRICA

TWICT

Report No.: PAD414

Basic Information			
Project ID	Lending Instrument	EA Category	Team Leaders
P123093	Adaptable Program Loan	B - Partial Assessment	Boutheina Guermazi Michel Rogy
Project Implementation Start Date		Project Implementation End Date	
30-May-2013		30-Aug-2018	
Expected Effectiveness Date		Expected Closing Date	
30-Aug-2013		30-Nov-2018	
Joint IFC			
No			
Sector Manager	Sector Director	Country Director	Regional Vice President
Randeep Sudan	Jose Luis Irigoyen	Colin Bruce	Makhtar Diop
Responsible Agency: Mauritania- Ministry of Employment, Professional Education and New Technologies			
Contact:	Mr. Mohamed Ahmed Mohamed Mahmoud ABDERAHMANE	Title:	Coordinator
Telephone No.:	22245241116	Email:	medah@emploi.gov.mr
Responsible Agency: Togo - Ministry of Post and Telecommunications			
Contact:	Atafeitom Tagba	Title:	Chief of Staff
Telephone No.:	22822204425	Email:	atafeitom.tagba@postel.gouv.tg

Project Financing Data(US\$M)						
<input type="checkbox"/> Loan	<input type="checkbox"/> Grant	Terms: The credits have a final maturity of 40 years and with a grace period of 10 years.				
<input checked="" type="checkbox"/> Credit	<input type="checkbox"/> Guarantee					
For Loans/Credits/Others						
Total Project Cost (US\$M):	81.50					
Total Bank Financing (US\$M):	60.00					
Financing Source					Amount(US\$M)	
BORROWER/RECIPIENT					2.30	
International Development Association (IDA)					60.00	
EC: European Investment Bank (EUIB)					19.20	
Total					81.50	
Expected Disbursements (in USD Million)						
Fiscal Year	2014	2015	2016	2017	2018	2019
Annual	3.10	10.10	21.70	19.60	5.00	0.50
Cumulative	3.10	13.20	34.90	54.50	59.50	60.00
Project Development Objective(s)						
Proposed Development Objective(s)						
The objective of each Project is to increase the geographical reach of broadband networks and to reduce costs of communications services in the territories, respectively, of the Islamic Republic of Mauritania and the Republic of Togo.						
Components						
Component Name					Cost (USD Millions)	
Supporting Connectivity					37.50	
Creating an Enabling Environment for Connectivity					16.80	
Project Implementation					5.70	
Compliance						
Policy						
Does the Project depart from the CAS in content or in other significant respects?				Yes []	No [X]	
Does the Project require any waivers of Bank policies?				Yes []	No [X]	
Have these been approved by Bank management?				Yes []	No []	
Is approval for any policy waiver sought from the Board?				Yes []	No [X]	
Does the Project meet the Regional criteria for readiness for implementation?				Yes [X]	No []	

Safeguard Policies Triggered by the Project		Yes	No
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36			X
Pest Management OP 4.09			X
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10			X
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37			X
Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP/BP 7.60			X
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Mauritania - Co-financing Deadline for the effectiveness of the Co-financing Agreement.		December 31, 2014	
Description of Covenant			
The Co-financing Deadline for the effectiveness of the EIB Co-financing Agreement is December 31, 2014.			
Name	Recurrent	Due Date	Frequency
Mauritania - Project Implementation Unit	X		Monthly
Description of Covenant			
The Recipient, through its MDEFPNT, shall ensure the overall responsibility for smooth Project implementation, coordination with the Association and the Co-financier, and supervision of the Project is carried out by the Project Implementation Unit with due diligence and efficiency. To this end, the Recipient shall maintain the Project Implementation Unit throughout Project implementation under terms of reference satisfactory to the Association and with staff and resources adequate to enable it to carry out its responsibilities under the Project. The PIU shall be headed by a Project coordinator, assisted by a deputy coordinator, whom shall both: (i) report directly to the minister in charge of new technologies; (ii) be directly responsible for the implementation of the 2012-2016 Strategy for ICT and Modernization of Public Service; and (iii) carry out their responsibilities under terms of reference satisfactory to the Association.			
Name	Recurrent	Due Date	Frequency
Mauritania- contribution to PIU operating costs	X		Monthly and Yearly
Description of Covenant			
To ensure the success of the Project, the Recipient shall: provide to the PIU, throughout Project implementation: (i) adequate office space out of charge in the vicinity of the office where the PIU coordinator carries out his/her daily work responsibilities at the MDEFPNT; and (ii) the resources necessary to enable the PIU to carry out its responsibilities under the Project by means of punctual deposits, in a manner satisfactory to the Association and into an account acceptable to the Association:			

(A) not later than June 30, 2013, an amount of not less than MRO 12,000,000; (B) not later than September 30, 2013, an amount of not less than MRO 36,000,000; and (C) not later than, respectively, each of May 31, 2014, May 31, 2015, May 31, 2016 and May 31, 2017, an amount of not less than MRO 48,000,000.

Name	Recurrent	Due Date	Frequency
Mauritania - National Connectivity Steering Commission	X		Monthly

Description of Covenant

To ensure effective coordination among all Project beneficiaries, in particular among the MDEFPTN, ARE and APAUS, and the timely involvement of other governmental stakeholders in Project implementation and oversight, the Recipient shall maintain throughout Project implementation the National Connectivity Steering Commission under terms of reference satisfactory to the Association and vested with the responsibility of providing overall technical and operative guidance, direction and coordination during Project implementation.

Name	Recurrent	Due Date	Frequency
Mauritania - Main Contractual Agreement	X		Monthly

Description of Covenant

To facilitate the carrying out of Part 1 (a) of the Project, the Recipient shall have in place a suitable contractual framework to ensure the Financing is used for the intended purposes. To that end, the Recipient shall conclude a contractual agreement (“Main Contractual Agreement”) with the Holding Company for Digital Assets whereby the Recipient shall, among others, transfer to the Holding Company for Digital Assets: (A) on a non-reimbursable basis, the proceeds of the Financing allocated from time to time to Category (1) (a) to finance the building of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building under Part 1 (a) of the Project to be implemented by the PIU; and (B) the ownership of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project.

Name	Recurrent	Due Date	Frequency
Mauritania - Delegated Contractual Agreement	X		Monthly

Description of Covenant

In order to ensure the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project are operated with due diligence and efficiency and are managed in a manner suitable to ensure services are delivered according to Open Access principles and in a manner satisfactory to the Association, the Recipient shall cause the Holding Company for Digital Assets to enter into a delegated contractual agreement (“Delegated Contractual Agreement”) with the IMT whereby the Holding Company for Digital Assets shall assign to the IMT full responsibility for the management and operation of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project.

Name	Recurrent	Due Date	Frequency
Mauritania – Safeguards compliance	X		Monthly

Description of Covenant

The Recipient shall take on its behalf, and ensure the Holding Company for Digital Assets take on its behalf, all action necessary:

(i) to comply with the ESMF and to carry out the ESIA and/or the ESMP, as the case may be, with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESIA and/or the ESMP, as the case may be, are appropriately included in the works, goods and services contracts to be concluded under Part 1 (a) of the Project and that they are implemented in the carrying out of said Part 1(a); and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the ESIA and/or the ESMP, as the case may be, through the information to be prepared and furnished to the Recipient in the Project Reports; and

(ii) to comply with the RPF and to carry out the RAP with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the RAP in the carrying out of Part 1 (a) of the Project; and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the RAP through the information to be prepared and furnished to the Recipient in the Project Reports.

Name	Recurrent	Due Date	Frequency
Mauritania- Training	X		Yearly

Description of Covenant

For the purposes of the Training to be provided under the Project, the Recipient shall:

a) furnish to the Association for its approval, not later than January 31 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and

c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

Name	Recurrent	Due Date	Frequency
Mauritania- Counterpart funding ICT Strategy		January 1, 2014	

Description of Covenant

With a view to leverage the new connectivity to be developed under the Project, the Recipient shall take all action required on its behalf to make available to the PIU, not later than January 1, 2014, an amount equivalent to at least one million dollars (\$1,000,000) to support the implementation with due diligence and in a timely fashion of activities No. 433 (Mettre en place un Centre National de Données) and No. 435 (Mettre en place un prestataire de certification électronique) of the 2012-2016 Strategy for ICT and Modernization of Public Service.

Name	Recurrent	Due Date	Frequency
Mauritania- draft new legislation		September 30, 2013	

Description of Covenant

The Recipient shall ensure that draft new legislation, satisfactory to the Association, aimed to revise the Recipient's existing ICT legal and regulatory framework is approved by the Recipient's Council of Minister not later than September 30, 2013.

Name	Recurrent	Due Date	Frequency
Mauritania- accountant and accounting software		December 31, 2013	

Description of Covenant

The Recipient shall, not later than four (4) months after the Effective Date: (i) employ an accountant

and an external auditor for the PIU under terms of reference satisfactory and with qualifications and experience satisfactory to the Association; and (ii) finalize the installation of an accounting software for the Project satisfactory to the Association.

Name	Recurrent	Due Date	Frequency
Mauritania - exemption of any taxes, duties, fees, levies and other impositions	X		Monthly

Description of Covenant

The Recipient shall exempt the contractors, suppliers and/or consultants (or the Recipient shall pay on behalf of the contractors, suppliers and/or consultants) from any taxes, duties, fees, levies and other impositions imposed on the contractors, suppliers and/or consultants under the laws and regulations in effect in the territory of the Recipient in respect of any payments whatsoever made to the contractors, suppliers, and/or consultants in connection with the Project, any equipment, materials and supplies brought into the Recipient’s territory by the contractors, suppliers, and/or consultants for the purpose of carrying out the Project and which, after having been brought into such territory, will be subsequently withdrawn, any equipment, material and supplies brought into the Recipient’s territory by the contractors, suppliers and/or consultants for the purpose of carrying out the Project and which will be consumed therein or will become the property of the Recipient, and any property brought into the Recipient’s territory by the contractors, suppliers and/or consultants (other than nationals of the Recipient or permanent residents of the Recipient’s territory) for their personal use and which will be consumed therein or subsequently withdrawn therefrom by them upon their departure.

Name	Recurrent	Due Date	Frequency
Mauritania - site of the Internet Exchange Point/Carrier Hotel/Datacenter technical building	X		Monthly

Description of Covenant

In the event the site chosen for the building, under Part 1 (a) of the Project, of the Internet Exchange Point/Carrier Hotel/Datacenter technical building is not within the premises of the landing station of the Africa Coast to Europe Submarine Cable, the Recipient shall make available to the Holding Company for Digital Assets, in the form of in-kind contribution and free of charge, the piece of land suitable and necessary for the building of the said Internet Exchange Point/Carrier Hotel/Datacenter technical building, both in size and legal and physical condition acceptable to the Association.

Name	Recurrent	Due Date	Frequency
Togo- Financial Management		November 30, 2013	

Description of Covenant

The Recipient shall: (i) not later than three (3) months after the Effective Date, acquire and install in the PIU accounting software suitable for the purposes of the Project; and (ii) not later than four (4) months after the Effective Date, employ an external auditor for the PIU under terms of reference satisfactory and with qualifications and experience satisfactory to the Association.

Name	Recurrent	Due Date	Frequency
Togo- Main Contractual Agreement	X		Monthly

Description of Covenant,

To facilitate the carrying out of Part 1 of the Project, the Recipient shall have in place a suitable contractual framework to ensure the Financing is used for the intended purposes. To that end, the Recipient shall conclude a contractual agreement (“Main Contractual Agreement”) with the SPV

hereby the Recipient shall transfer to the SPV: (A) on a non-reimbursable basis, the proceeds of the Financing allocated from time to time to Category (1) to finance the Carrier Hotel and Internet Exchange Point to be established under Part 1 (a) of the Project and to be implemented by the PIU; and (B) the ownership of the Carrier Hotel and Internet Exchange Point to be established under Part 1 (a) of the Project.

Name	Recurrent	Due Date	Frequency
Togo- PPP Agreement	X		Monthly

Description of Covenant

In order to ensure the Carrier Hotel and the Internet Exchange Point to be established under Part 1 (a) of the Project are operated with due diligence and efficiency and are managed in a manner suitable to ensure services are delivered according to Open Access principles and in a manner satisfactory to the Association, the Recipient shall cause the SPV to enter into a PPP agreement (“PPP Agreement”) with the PPP whereby the SPV shall transfer to the PPP the proceeds of the Financing allocated from time to time to Categories (2) and (3) and assign to the PPP responsibility for the management and operation of the Carrier Hotel and the Internet Exchange Point to be established under Part 1 (a) of the Project.

Name	Recurrent	Due Date	Frequency
Togo- Capacity Purchase contract	X		Monthly

Description of Covenant

For the purposes of securing access to international bandwidth under Part 1 (b) of the Project, either by IRU or through refill of capacity from other neighbouring countries, the Recipient shall cause the SPV or the PPP, as the case may be, to execute a capacity purchase contract (“Capacity Purchase Contract”), in form and substance satisfactory to the Association and in accordance with the PPP principles, with a suitable supplier of international bandwidth.

Name	Recurrent	Due Date	Frequency
Togo-Safeguards Compliance	X		Monthly

Description of Covenant

The Recipient shall:

- i. take all measures required on its behalf to carry out, and to ensure that the SPV and/or the PPP, as the case may be, carry out, the ESIA, ESMP, and/or the RAP, as the case may be, in accordance with the provisions of the ESMF and the RPF; and
- ii. ensure that the relevant mitigation and monitoring provisions of the ESIA, ESMP, and/or RAP, as the case may be, are appropriately implemented and that adequate information on how any potential negative impact under Part 1 (a) of the Project has been minimized is suitably included in the Project Reports to be prepared pursuant to the provisions of Section II.A.1 of this Schedule.

Name	Recurrent	Due Date	Frequency
Togo- Training	X		Yearly

Description of Covenant

For the purposes of the Training to be provided under the Project, the Recipient shall:

- (a) furnish to the Association for its approval, not later than November 30 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its

implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and

(c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

Name	Recurrent	Due Date	Frequency
Togo- Mid Term review		September 30, 2016	

Description of Covenant

The Recipient, through the PIU, shall:

maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of the Project and the achievement of the objectives thereof

prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about thirty-five (35) months after the Effective Date, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of the Project and achievement of the objectives thereof during the period following such date; and

review with the Association, on or about thirty-seven (37) months after the Effective Date, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

Name	Recurrent	Due Date	Frequency
Togo- Institutional Arrangement- Counterpart funding for the MPT	X		Yearly

Description of Covenant

Starting with Fiscal year 2014 and each succeeding Fiscal year throughout Project Completion, the Recipient, through its MPT, shall take all action required to obtain the inclusion of a line item in its budget for the expenses necessary to support MPT in the carrying out of the Project.

Name	Recurrent	Due Date	Frequency
Togo- Institutional Arrangements-PIU	X		Monthly

Description of Covenant

The Recipient, through its MPT, shall ensure overall coordination, implementation and supervision of the Project is carried out by the Project Implementation Unit with due diligence and efficiency. To this end, the Recipient shall maintain the Project Implementation Unit throughout Project implementation under terms of reference satisfactory to the Association and with staff and resources adequate to enable it to carry out its responsibilities under the Project.

Name	Recurrent	Due Date	Frequency
Togo- Institutional Arrangements- Recruitment of M&E and Technical Specialist		November 30, 2013	

Description of Covenant

The Recipient shall, not later than three (3) months after the Effective Date, employ a monitoring and evaluation specialist, and a telecommunications specialist for the PIU under terms of reference and with qualifications and experience satisfactory to the Association.

Conditions

Name	Type
Mauritania- Environmental safeguards	Disbursement Condition for Part 1 (a) of the Project

Description of Condition

No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project), until and unless: (A) the Recipient (i) shall have adopted the ESIA, ESMP and RAP, as the case may be, and the same documents have been consulted upon and disclosed as approved by the Association; and (ii) shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the activities under Part 1 (a) of the Project meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Association’s applicable environmental and social assessment and social review procedures and comply with the environmental and social review procedures set forth in the ESIA, ESMP and RAP, as the case may be, and the Project Implementation Manual.

Name	Type
Mauritania - Creation of Holding Company for Digital Assets	Disbursement Condition for Part 1 (a) of the Project

Description of Condition

No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project), until and unless: (A) the Holding Company for Digital Assets has been duly created, registered and made operational in the territory of the Recipient, including through the appointment of its manager and adoption of its shareholders’ agreement and its by-laws, in form and substance satisfactory to the Association; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Holding Company for Digital Assets has been duly created, registered and made operational in the territory of the Recipient and is legally authorized to operate in accordance with the laws of the Recipient.

Name	Type
Mauritania- Legal framework for IMT	Disbursement Condition for Part 1 (a) of the Project
<p>Description of Condition</p> <p>No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project), until and unless: (A) the legal framework of the IMT, including its legal status, mandate, objective, powers and/or operations, as the case may be, has been modified as required, and the IMT is operational, for the purposes of carrying out Part 1 (a) of the Project on behalf of the Holding Company for Digital Assets in accordance with the provisions of the Delegated Contractual Agreement; (B) the IMT has obtained all necessary authorizations, permits and/or licenses as required for the purpose and pursuant to the applicable legal and regulatory framework; and (C) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the IMT has been duly modified and made operational in the territory of the Recipient for the purposes of carrying out Part 1 (a) of the Project and is legally authorized to operate and provide services on Part 1 (a) of the Project in accordance with the laws of the Recipient.</p>	
Name	Type
Mauritania - Main Contractual Agreement	Disbursement Condition for Part 1(a) of the Project
<p>Description of Condition</p> <p>No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project), until and unless: (A) the Main Contractual Agreement, in form and substance satisfactory to the Association, has been entered into between the Recipient and the Holding Company for Digital Assets; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Main Contractual Agreement has been duly authorized or ratified on behalf of the Recipient and the Holding Company for Digital Assets, and executed and delivered on its behalf, and is legally binding upon the Recipient and the Holding Company for Digital Assets in accordance with its terms.</p>	
Name	Type
Mauritania – Delegated Contractual Agreement	Disbursement Condition for Part 1 (a) of the Project
<p>Description of Condition</p> <p>No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project), until and unless: (A) the Delegation Contractual Agreement, in form and substance satisfactory to the Association, has been entered between the Holding Company for Digital Assets and the IMT; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Delegation Contractual Agreement has been duly authorized or ratified on behalf of the Holding Company for Digital Assets and of the IMT, and executed and delivered on their behalf, and is legally binding upon the Recipient and the IMT in accordance with its terms.</p>	
Name	Type

Togo- Establishment of PIU	Effectiveness Condition
Description of Condition	
The Recipient shall have established the PIU under terms of reference and with staff in numbers and with qualifications satisfactory to the Association. As part of such staffing, there shall be in place for the PIU: (i) the Project coordinator; and (ii) a financial management specialist and a procurement specialist, all of them under terms of reference and with qualifications and experience satisfactory to the Association.	
Name	Type
Togo- Environmental Safeguards	Disbursement Condition for Part 1 (a) of the Project
Description of Condition	
No withdrawal shall be made under Category (1) (works under component 1 (a) of the Project), until and unless: (A) the Association shall have approved the ESIA, ESMP, and/or the RAP, as the case may be, and the same documents have been consulted upon and disclosed as approved by the Association; and (B) the Recipient shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the activities under Parts 1 (a) of the Project meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Association's applicable environmental and social assessment and safeguard policies and comply with the environmental and social review procedures set forth in the Project Implementation Manual.	
Name	Type
Togo- Creation of the SPV and PPP	Disbursement Condition for Part 1 (a) of the Project
Description of Condition	
No withdrawal shall be made under Category (1) (works under component 1 (a) of the Project), until and unless: (A) the SPV and the PPP have been duly created, registered and made operational in the territory of the Recipient, including through the appointment of their managers and the adoption of their by-laws, in form and substance satisfactory to the Association; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the SPV and the PPP have been duly created, registered and made operational in the territory of the Recipient and are legally authorized to operate in accordance with the laws of the Recipient.	
Name	Type
Togo- Main Contractual Agreement	Disbursement Condition for Part 1 (a) of the Project
Description of Condition	
No withdrawal shall be made under Category (1) (a) (works under component 1 (a) of the Project), until and unless: (A) the Main Contractual Agreement, in form and substance satisfactory to the Association, has been entered into between the Recipient and the SPV; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Main Contractual Agreement has been	

duly authorized or ratified on behalf of the Recipient and the SPV, and executed and delivered on their behalf, and is legally binding upon the Recipient and the SPV in accordance with their terms.

Name	Type
Togo- PPP agreement	Disbursement Category 1: works for the establishment of the neutral Carrier Hotel and the Internet Exchange Point under Part 1 (a) of the Project)

Description of Condition

No withdrawal shall be made under Category (1) (works under component 1 (a) of the Project), until and unless: (A) the PPP Agreement, in form and substance satisfactory to the Association, has been entered between the SPV and the PPP; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the PPP Agreement has been duly authorized or ratified on behalf of the SPV and of the PPP, and executed and delivered on their behalf, and is legally binding upon the SPV and the PPP in accordance with its terms.

Name	Type
Togo- Capacity Purchase Contract	Disbursement Condition for Part 1 (b) of the Project

Description of Condition

No withdrawal shall be made under Category (2) (Lease of Capacity under Part 1 (b) of the Project), until and unless: (A) the Capacity Purchase Contract, in form and substance satisfactory to the Association, has been entered into between the SPV or the PPP, as the case may be, and the supplier selected for the delivery of high capacity bandwidth under Part 1 (b) of the Project; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Capacity Purchase Contract has been duly authorized on behalf of the SPV or the PPP, as the case may be, and the supplier, and executed and delivered on their behalf, and is legally binding upon the SPV or the PPP, as the case may be, and the supplier in accordance with its terms.

Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Wolfgang M. T. Chadab	Senior Finance Officer	Senior Finance Officer	CTRLA
Chantal Leontine Tiko	Program Assistant	Program Assistant	AFMTG
Mavis A. Ampah	Senior ICT Policy Specialist	Senior ICT Policy Specialist	TWICT
Claudia M. Pardinás Ocaña	Senior Counsel	Legal Department (Regional Projects)	LEGOP
Thiane Dia	Executive Assistant	Executive Assistant	AFMMR
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Alexandra C. Bezeredi	Regional Environmental and Safeguards Advisor	Regional Environmental and Safeguards Advisor	AFTSG
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David Satola	Lead Counsel	Lead Counsel, Finance, Private Sector Development & Infrastructure	LEGPS
Rita Dambita	Consultant	Consultant	TWICT
Itchi Gnon Ayindo	Senior Procurement Specialist	Senior Procurement Specialist	AFTPW
Aissatou Diallo	Senior Finance Officer	Senior Finance Officer	CTRLA
Maimouna Toure	Team Assistant	Team Assistant	AFMMR
Boutheina Guermazi	Senior Regulatory Specialist	Team Lead- Togo	TWICT
Paul-Jean Feno	Senior Environmental Specialist	Senior Environmental Specialist	AFTN1
Fatou Fall Samba	Financial Management Analyst	Financial Management Analyst	AFTMW
Alain Hinkati	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTMW
Erica Monique Daniel	E T Consultant	E T Consultant	TWICT
Michel Rogy	Senior ICT Policy Specialist	Team Lead- Mauritania	TWICT
Mohamed El Hafedh Hendah	E T Consultant	E T Consultant	AFTPW
Non Bank Staff			
Name	Title	Office Phone	City

Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Institutional Data					
Sector Board					
Global Information/Communications Technology					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Information and communications	Telecommunications	50			
Information and communications	General information and communications sector	50			
Total		100			
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.					
Themes					
Theme (Maximum 5 and total % must equal 100)					
Major theme	Theme	%			
Financial and private sector development	Regulation and competition policy	40			
Trade and integration	Regional integration	40			
Financial and private sector development	Infrastructure services for private sector development	20			
Total		100			

I. Strategic Context

A. Regional Context

- 1. West Africa, which includes 16 countries (Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo), is highly diverse and fragmented due to geographic, demographic, climatic, religious, cultural, and historical factors.** The current population of West Africa estimated at about 260 million inhabitants, of whom about 155 million live in Nigeria alone, is increasing rapidly and is expected to reach about 320 million by 2015. The sub-region has been severely affected by internal conflicts, some of which are still ongoing. Trade within West Africa is constrained by poor infrastructure, poor domestic trade policies and border control bottlenecks.
- 2. West Africa is one of the poorest sub-regions in the world.** Over the last 20 years, the economic performance of West Africa has been uneven. The devaluation of the African Financial Community (CFA) franc in 1994 did improve the economic growth for the CFA zone countries. Whereas, several countries (Benin, Cape Verde, Burkina Faso, Ghana, Mali and Senegal among others) in the sub-region have made good progress in achieving a greater degree of macroeconomic stability and economic growth, the remaining countries have had a mixed record in improving their economic performance. This has meant that over the last 20 years, the sub-region has experienced a real gross domestic product (GDP) growth rate of about one to two percent per year. Unless the GDP long term real growth rate improves substantially, it will be unlikely that the sub-region will achieve the Millennium Development Goals (MDGs) by 2015.
- 3. Regional integration is a means to overcome many of West Africa's challenges and harness its vast opportunities for sustainable growth and development.** Large, integrated regional markets can generate economies of scale, promote specialization and productivity growth and attract FDI. Regional collaboration can provide regional public goods, reduce collective vulnerability and increase resilience to external shocks.
- 4. The West Africa Regional Communications Infrastructure Program (WARCIP) seeks to provide a comprehensive solution to address connectivity gaps in the ECOWAS Region.** Approved on January 20, 2011, the US\$300 million WARCIP program seeks to increase the geographical reach of broadband networks in West Africa and reduce the cost of communications in the region. WARCIP focuses on international and regional connectivity to enable the creation of a fully integrated network which will eventually link all countries' networks in the region and provide affordable high speed connectivity within countries. Although WARCIP applies to all West African countries, the Program cost was only calculated for ECOWAS members. The proposal to add Mauritania to this phase is based on the importance of Mauritania for achieving improved connectivity in the region. Mauritania is indeed a key building block of a Priority Information and Communication Technology (ICT) regional backbone giving international connectivity to landlocked ECOWAS countries such as Mali, Burkina Faso and Niger. In addition Mauritania is a member of the West

Africa Telecommunications Regulators Assembly (WATRA¹) together with the independent National Regulatory Authorities (NRAs) and departments for regulation of telecommunications services established by governments of the 15 ECOWAS member states. An operation in Mauritania will therefore be fully consistent with WARCIP's objectives.

5. **Mauritania is mostly a desert country with solid growth performance driven by capital intensive sectors and mixed results in achieving the MDG but Mauritania does not take full advantage of its strategic geographic location, between Sub-Saharan Africa and the Maghreb** - with an estimated surface area of 1,030,700 square km, a population of about 3.5 million and a GDP/capita of about US\$ 1,160 (2011). Growth performance appears to be solid, although it is mostly constrained to (and driven by) capital intensive sectors and the key challenge remains to make it more inclusive. The country has a narrow production basis, with exports concentrating on a small range of commodities (fish, iron ore, gold). GDP/capita was below US\$700 until 2006 when oil production started. Despite the low oil production, growth picked-up since the return to constitutional order and resumption of donors' support end-of-2009 particularly as a result of booming exports in the mining industry. The financial crisis of 2008/09 impacted on Mauritania (-1.2% GDP in 2009) but did not derail a macroeconomic recovery. Real GDP registered a 5.1% growth in 2010 and 3.9% in 2011; the latest available figures estimate a GDP growth at 6.2% in 2012 and a sustained average at 6.5% over the medium term (2013-2017). Mauritania's human development index has moved up from 0.424 in 2007 to 0.453 in 2011 (versus an average of 0.463 for sub-Saharan Africa) with Mauritania now ranking 159 out of 187 countries, but overall the results in achieving MDGs have been mixed.

6. **Togo is one of the smallest countries in West Africa and one of the poorest countries in the world with a slight economic growth in 2011.** Togo is a small country with an estimated surface area of 56,600 square km and a population of 6.5 million with an annual population growth of about 2.84 %. Togo is one of the poorest countries in the world, with a per capita GDP of US\$570 in 2011 (according to the World Bank's Atlas methodology), and a ranking of 139 out of 169 countries in the 2010 UNDP Human Development Index. Agriculture employs two-thirds of the population and accounts for about 45% of gross domestic product (GDP). The secondary sector, including phosphates, cement manufacturing, construction and energy employs about 12% of the population and accounts for about 22% of GDP. Economic growth accelerated slightly in 2011. Togo's economic growth, which was estimated at 3.7% for 2010, rose to 3.9% in 2011, thanks to satisfactory rainfall, improved power supply and an increase in the port activity. It is expected to reach 5.2% in 2012, spurred, among other things, by new investments in infrastructure and higher government spending, and thanks to lower debt-servicing costs following debt relief, and continuing structural reforms. In December 2010, Togo successfully reached the completion point under the Enhanced HIPC Initiative, and also qualified for additional debt relief under the Multilateral Debt Relief Initiative (MDRI).

¹ WATRA was born out of the need to address present realities in the telecommunications industry in the sub-region while focusing on the need for West Africa to evolve a harmonized regulatory identity to boost investment and investors-confidence and to more effectively enhance the regulations of telecommunications services by contributing to human resource and capacity building efforts aimed at redressing the shortage of indigenous skills, competencies and capabilities in emerging information and communications technologies in the sub-region.

B. Sectoral and Institutional Context

i. Status of sector in terms of access, pricing and market structure

7. **Mauritania has shown a strong commitment to opening telecommunications to competition and the market at the local level is dynamic and competitive.** The telecom sector in Mauritania is fully liberalized and the incumbent operator Mauritel was privatized back in 2001 (with a stake taken by Maroc Telecom). As in the sub-region the fixed network shows a very low level of development (3% of penetration as of December 2012), but the cellular sector is dynamic and competitive, including 3 mobile operators: Mauritel, Mattel and Chinguitel. As of December 2012, the mobile penetration rate is 113% at the level of the best in its class in ECOWAS. Competition between the 3 operators takes place on nearly 65% of the total coverage of mobile networks: prices have gone down significantly but further decrease would be desirable given to the purchasing power of citizens (on-net calls are priced at 18.15 US\$ cent/min VAT included).
8. **By contrast, access to international connectivity via Senegal and the SAT-3/WASC submarine cable is at a high price and vulnerable to service interruptions, impeding a rapid development of Mauritania's broadband internet market, and preventing the country from reaping the benefits of the ICT revolution in terms of growth, job creation and regional integration.** As a consequence, the fixed and mobile broadband markets, with merely 3% penetration as of December 2012 despite all 3 operators having launched 3G services, are underdeveloped. One Mbit/s access via ADSL or via a 3G dongle is priced at 51 US\$/month /month VAT included per month, with consumers complaining about the costs and the poor quality of service.
9. **Mauritania has engaged in a second wave of reforms aiming at (i) consolidating mobile telephony to avoid stagnation and provide a solid basis for developing broadband Internet and (ii) developing broadband Internet as the fundament for the further growth of the sector.** It developed and approved a 2012-2016 Strategy for ICT and Modernization of Public Service², built around 6 pillars: (1) develop access for all to the information society (which includes investments in new international, regional and national fiber connectivity); (2) revise the legal and regulatory framework for ICT; (3) Improve quality and accessibility of the public service; (4) Develop e-government; (5) Develop digital economy and (6) Technical Assistance for Specific Sectors. The general objectives of this 2012-2016 Strategy are to foster human development (better access to knowledge, better implementation of e-education, better access to information), economic development (improve production and quality of life, increase business efficiency, develop Research and Development services) and higher efficiency of public service (better access and lower cost of public service) and better IT systems. Building upon this strategy, a new telecommunications sector policy note has been approved by the Council of Ministers on

² "Stratégie Nationale de Modernisation de l'Administration et des TICs 2012-2016". This strategy was approved by GoM on March 22, 2012.

January, 31 2013³ and the MDEFPTN and the ARE expect to have the revised legal and regulatory framework for ICT (Information Society Laws and Electronic Communications Laws) also approved by End of April 2013. The reforms are initiated by the Government and supported by the Bank through Technical Assistance.

- 10. Togo's telecommunication sector has significant untapped potential.** With a mobile phone penetration in 2012 of 53.93%, and a growth rate of around 13.5 per cent, Togo's mobile telephony sector is not living up to its potential. Togo's mobile market continues to be run under a duopoly regime with Togo Cellular, the mobile unit of fixed-line incumbent operator Togo Telecom, and Etisalat-owned Moov. Togo Cellular has a subscriber base of around 1.6 million at the end of December 2012, and a market share of 51%. Second-ranked Moov had around 1.5 million subscribers at the end of December 2012, a market share of 49%. Togo Cellulaire enjoys 87 per cent of the volume (dialled-out minutes) and 79 per cent of turnover. Currently there are only about 76,678 mobile 3G subscribers, all on Togo Cellular (MOOV has yet to provide 3G services).Togo's fixed voice and data/Internet market is dominated by state-owned incumbent operator Togo Telecom. The number of Internet subscribers remains very limited in Togo with internet and broadband penetration rates of 6% and 0.6% respectively, and growth in the Internet industry is still slow and highly constrained by limited access and high cost to end users. The high cost of broadband Internet access prevents Togo from reaping the benefits of the ICT revolution. Business users and private citizens have to pay US\$160 per month for fixed broadband Internet access, while consumers in Senegal and Ghana pay only US\$29 and US\$64 respectively.
- 11. The connectivity status of Togo has improved dramatically in the last few years thanks to investments by Togo Telecom, but fixed access remains solely owned and managed by Togo Telecom:** Togo is now connected to WACS submarine cable with a landing station in Lomé. The 14,500 km WACS cable has an ultimate capacity of 5.12Tbps. The cable became operational in Togo in May 11, 2012. Through Togo Telecom's investment in WACS and its national backbone the country has a reliable and potentially cost-effective national and international infrastructure in place, however as a monopoly, Togo Telecom has no incentive lower prices and the benefits of the investment for the country will not be fully realized unless additional sources of capacity is available to all operators on an equal basis.
- 12. Togo has adopted several reform priorities aimed at increasing competition and leveling the playing field between different sector players:** Those reforms are unfolding through policy and regulatory decisions and include (i) lowering the price of mobile communications and bring it closer to regional benchmarks, (ii) opening up the mobile sector to more competition through issuing Mobile Virtual Network Operator (MVNO) licenses, (iii) moving to full competition in the Internet sector with a plan to issue additional ISP licenses and (iv) starting the process of restructuring of Togo , (v) ensuring fair and equal access to the WACS submarine cable capacity and (vi) lifting restrictions on building transport infrastructure by licensed operators, and (vii) putting in place regulatory mechanisms to ensure fair competition and limit dominance in the sector. Once implemented, these reforms are expected to have far reaching impacts on the sector. The reforms are initiated by the Government and supported by the Bank through multiple

³ “Déclaration de politique pour le secteur des télécommunications”. This strategy was approved by GoM on January 31, 2013.

instruments including budget support operation, technical assistance and trust fund resources.

ii. Relevance of WARCIP APL 2 dealing with Mauritania and Togo

13. WARCIP 2 will address the key issues of limited geographical reach of broadband networks and high costs of broadband services both in Mauritania and in Togo. With a strong Regional Rationale, WARCIP APL2 will contribute to the creation of the ECOWAS regional telecommunications market, fostering regional integration and economic growth. The Africa Infrastructure Country Diagnostic (AICD)⁴ report highlights the importance of regional integration, in particular for the smaller countries in the region. Integrating and sharing physical infrastructure could allow countries to gain scale economies, harness regional public goods and enable deeper economic growth.

14. Addressing connectivity gaps under Component 1 of the project would better integrate Togo and Mauritania within the regional connectivity network, allowing increased regional trade as well as improving Togo's and Mauritania's opportunity to become more competitive internationally.

i. In the case of Mauritania, the project will focus on (i) rolling out of fiber backbone links to create a reliable regional and national backbone with a ring topology covering most of the population in Mauritania, and linking to newly available low cost international capacity via the ACE as well as on (ii) technical assistance to strengthen the legal, regulatory and institutional framework to ensure open access to and interconnection between all components of the fiber backbone infrastructure and promote a pro-competitive environment to foster investments from telecoms operators and Internet service providers.

ii. In the case of Togo, the project will focus on sectoral efficiency and improving the reach of broadband networks at lower cost. The project proposes a mix of interventions covering investment focused on improving connectivity through (a) establishment of a neutral carrier hotel and national / regional IXP, where a market and a national / regional hub for capacity could be established to provide an alternative to Togo Telecom, which would improve terms of access to international capacity and lower costs, and (b) supply of international bandwidth to create a market at the carrier hotel and ensure open and non-discriminatory access to international capacity by different market players. By doing so, Togo will benefit from similar conditions of access to connectivity (diversity of choice, low prices) as other countries in the ECOWAS region. The project will also focus on creating an enabling environment through technical assistance to strengthen the legal, regulatory and institutional framework to ensure open access, create PPP frameworks and improve regulatory environment to increase competition in the sector and improve overall sector efficiency.

⁴ AICD - ECOWAS's Infrastructure: A Regional Perspective, July 2010

15. **Implementing an up-to-date legal and regulatory framework both in Mauritania and in Togo will also enhance the harmonization of sector regulation that governs the ICT sector across the region, particularly under the umbrella of WATRA.** Technical assistance under Component 2 of the project will support several key regulatory priorities of the regulatory authority as well as institutional and operational capacity building of the Line Ministries in policy and regulation. This will lead to lower prices and better access to communications services, which will significantly improve foreign and local investment in the region, decrease the cost of doing business, increase the prospect for job creation and wealth generation and enable countries to reap the benefits of ICT as a platform to deliver services to their citizens.

C Higher Level Objectives to which the Program Contributes

16. **Deployment of broadband networks fostered under WARCIP will stimulate investment and economic growth.** The contribution of broadband networks to economic growth is much more pronounced than that of narrowband networks. Additional studies have confirmed that for every 10 percentage-point increase in high-speed internet connections, there is an increase in economic growth of 1.3 percentage points.⁵ New businesses in the ICT and IT enabled services sectors are supported by improved access to high-speed internet. More generally, the remarkable contribution of ICT to economic growth has been demonstrated in many studies. For example, a recent cross-country analysis found that the growth effect of ICT can be significantly stronger in developing countries than in developed countries⁶. The region's prosperity depends on how well it is integrated into the global economy. Information and Communication Technologies (ICT), particularly high-speed Internet, is playing an increasingly central role in this - enhancing trade, facilitating cross-border payments, increasing productivity and improving the quality of public service delivery – all key components of economic growth and poverty reduction. A number of ECOWAS countries are at the initial stages of positioning themselves as preferred destinations for IT and IT Enabled Services (ITES) in the region.
17. **WARCIP leverages private sector investment.** In most countries in Africa, the private sector is quite active in the sector. In order not to crowd out private investment, the program will focus on putting in place Public Private Partnerships (PPP) frameworks, where relevant, to leverage private sector investment. Where private investment cannot be guaranteed upfront, the program provides guidance and resources to affect a clear exit strategy and transfer of public assets to private sector.
18. **WARCIP 2 is fully in line with the March 21, 2010 Regional Integration Assistance Strategy (RIAS) Update *Partnering for Africa's Regional Integration*, and the *West Africa Implementation Action Plan (2010)*.** The RIAS seeks to create economies of scale, facilitate intra-regional trade and exports and connect landlocked countries to regional and

⁵ World Bank - *Information and Communications for Development 2009: Extending Reach and Increasing Impact*.

⁶ World Bank - *Information and Communications for Development 2009: Extending Reach and Increasing Impact*.

global trade routes by reducing barriers to movement of goods and services between countries and improve the regional business environment. WARCIP is featured as a flagship project in the RIAS Update.

19. **The Program is fully in line with the new World Bank Africa Strategy *Africa's Future and the World Bank's Support to It (2011)* and with the Bank ICT strategy approved in 2012.** By facilitating cheaper access to internet and supporting the development of national and regional communications infrastructure, WARCIP 2 will promote sustainable employment (pillar 1 Competitiveness & employment) and will create a critical building block for ICT applications (Foundation Governance & Public sector capacity). The program also focuses on partnerships by leveraging private sector investment and co-financing in the case of WARCIP Mauritania from the European Investment Bank. WARCIP 2 is also fully aligned with the Connectivity pillar of the new WBG ICT strategy, which aims at scale up affordable access to broadband internet by supporting policy and institutional reforms for private investment in broadband as well as by a selective support of PPPs in frontier markets to promote affordable access for all.

20. **WARCIP APL2 is fully in line with strategic priorities at the country level for both Mauritania and Togo-** For Mauritania, the Project is aligned with and the FY13-FY16 World Bank Country Partnership Strategy (CPS) FY2013-2017 under preparation under Pillar 1 – Competitiveness and Growth and, together with the West Africa Regional Fisheries project and the regional Senegal River Basin project, is an integral part of the Bank's support to Mauritania's regional integration agenda⁷. For Togo, the project is aligned with the 2nd Interim Strategy Note (ISN) for the period FY12-FY13⁸, supporting ISN pillar 1- Deepening the economic recovery process and promoting sustainable development- by promoting improved access to productive infrastructure access. It will also contribute to objective (b) -Supporting economic governance and transparency- by improving through ICT the delivery of public services in similar conditions of costs and quality throughout the country. Through purchase of capacity on fiber-based transmission networks to connect targeted users (e.g. schools, universities, hospitals, and other priority groups) with discounted capacity prices, the operation will support objective (c) of the ISN related to Addressing urgent poverty reduction and social needs.

II. Project Development Objectives

A. PDO

21. **The development objective of WARCIP is to increase the geographical reach of broadband networks and to reduce costs of communications services in West Africa.** For APL 2, the development objective of each Project is to increase the geographical reach of broadband networks and to reduce the costs of communications services in the territories, respectively, of the Islamic Republic of Mauritania and the Republic of Togo.

⁷ Mauritania CPS is scheduled for Board discussion on July 11, 2013.

⁸ Togo ISN was approved On January 26, 2012

B. Project Beneficiaries

22. **WARCIP APL 2 will benefit the entire population of Mauritania and Togo.** All over Africa, businesses, governments, teachers, doctors, farmers, and fishermen, are using ICTs to communicate, share information, improve productivity and service delivery, find better prices, improve access to markets, and increase their bargaining power. The proposed Projects will therefore benefit the entire population of these countries including telecommunications operators, telecommunications users, universities, schools, hospitals, banks, corporate users, and ministries and departments. Direct beneficiaries of the project include people who are connected to the communications network in Mauritania and Togo (including telecommunication services and internet users, schools, hospitals, banks, corporations, government and public administrations), to be measured as the number of active fixed and mobile subscribers. Indirect beneficiaries potentially include all of the country's population, since increased communications capabilities at affordable rates for some of the population may eventually have externalities for all in terms of an improved business environment. Because ICT are enabling tools for economic development and social change, they are a particularly valuable resource for women in developing countries who often suffer from limited availability of time, social isolation, and lack of access to knowledge and productive resources. For the purpose of M&E, Direct Project Beneficiaries will be defined in a more restrictive way (see country technical annexes for details).

C. PDO Level Results Indicators for WARCIP APL2

Table 1: PDO level results indicators for APL2

<i>Project Development Objective</i>	Outcome Indicators	At closing of the project
To increase the geographical reach of broadband networks and to reduce costs of communications services in the territories of the Islamic Republic of Mauritania and the Republic of Togo.	<ul style="list-style-type: none"> ▪ Volume of international traffic (Kbit/s per person) ▪ Access to telephone services (fixed mainlines plus cellular phones per 100 people) ▪ Access to internet services (number of subscribers per 100 people) ▪ Average monthly price of wholesale international E1 capacity link from capital city to Europe ▪ Number of direct project beneficiaries, of which female % 	<ul style="list-style-type: none"> ▪ See the relevant sections of the Technical Annexes for Mauritania and Togo

III. Project Description

A. Project Components

Component 1- Supporting Connectivity (US\$37.5 million).

23. **This component will include the following activities on the basis of an open access and PPP structure so as to leverage private sector investment:** (i) building 4 fiber optic missing links in Mauritania for a total of 1,577 km to provide redundancy connectivity for cross-border links towards ECOWAS - namely towards landlocked countries Mali, Niger and Burkina Faso - and towards North Africa (via the connection with Morocco) and to be used for distribution of international connectivity to most provincial capitals contributing

hereby to reducing the urban/rural divide in the sub-region (ii) establishing national and regional Internet Exchange Point (IXP) in a neutral carrier hotel building in both Mauritania and Togo and (iii) supply of international bandwidth in the carrier Hotel of Togo to create a market for bandwidth.

Component 2 - Creating an Enabling Environment for Connectivity (US\$16.8 million).

This component will focus on:

- 24. Support to optimize the governance, ownership and financing issues related to the connectivity infrastructure in both countries.** This component will focus on the transaction design and operating model for ownership and management of the infrastructure developed under component 1 including carrier hotels, supply of international bandwidth and national backbone links in the case of Mauritania using PPP frameworks including finalizing all legal documents related to the new SPVs and support to develop all legal and contractual instruments.
- 25. Creating a policy and regulatory environment for Open Access and to improve sectoral efficiency and respond to key regulatory priorities.** In addition to transaction design, this component will focus on addressing policy and regulatory bottlenecks to maximize the benefits of the proposed connectivity agenda. Detailed studies will be launched to support the governments to put in place a regime for open access to the landing station, carrier hotels and the proposed backbone links. Additional support to improve policy and regulatory environment is also included in the projects depending on the specific needs of each country. This support will include a wide range of activities including support to develop technical, financial, and operational conditions to access existing fibers; define fiber interconnection and sharing regulation tools; define Reference Offer for International Connectivity; develop cost models for interconnection (fixed and mobile); support for regulation of dominance and for issuing new licenses (See Technical Annexes for details).
- 26. Institutional capacity strengthening for the regulators and relevant Ministries in both countries.** Significant institutional strengthening support is needed to ensure that the PPP agreements and principles are implemented effectively. The support will be different from country to country depending on the maturity of regulatory institution and the specific needs.

Component 3: Project Implementation (US\$5.7 million).

- 27. This component will provide support needed to strengthen the capacity of both Governments to implement the connectivity component.** This includes setting up Project Implementation Units (PIU) located within the Line Ministries and covering office equipment, operating costs, trainings. The component will also cover the cost audits, communications, monitoring and evaluation (M&E), and environmental and social studies, including their implementation and/or the monitoring of their implementation. This component finally provides project implementation contingencies.

B. Program Financing

i. Lending Instrument

28. Lending will be done via a Horizontal Adaptable Program Loan (APL)⁹. The rationale for using an APL instrument is to ensure a phased and modular support which will facilitate the inclusion of countries according to their level of readiness and completion of the readiness triggers. The APL phased approach would allow long-term and sustainable development of ICT infrastructure and services in the region, with a focus on building effective public-private partnerships, leveraging private capital, developing institutions, building capacity, and deepening sector reforms over time. The scope, scale and timing of inclusion would depend on the commitment to the sector reforms, and through this, the ability of the countries to attract private capital on their own to develop national and cross-border infrastructure.

ii. Update on WARCIP Program and earlier phases

29. WARCIP Mauritania and WARCIP Togo come under second Phase (APL 2) of the West Africa Regional Communications Infrastructure Program (WARCIP). Approved by the Board on January 20, 2011, WARCIP is a US\$300 million regional APL instrument that seeks to contribute to increasing the geographical reach of broadband networks and reducing costs of communications services in West Africa. As explained above, an operation in Mauritania is fully consistent with WARCIP's objectives.

Table 2: Overview of approved WARCIP APL1 Phase

Phase	Countries	Approval date	Commitment in US\$
APL 1A	Liberia and Sierra Leone	January 20, 2011	56 million
APL 1B	Guinea, The Gambia and Burkina Faso	June 21, 2011	92 million
APL 1C	Benin	July 12, 2012	35 million
TOTAL APL 1			183 million

30. Preparation and implementation of WARCIP Program is largely on track and reflects the parameters included in the program PAD as approved in 2010. The first phase related to improving international connectivity for least connected countries (focusing on coastal countries) is quite advanced. Guinea Bissau was expected to join APL 1 phase, however, due to political instability, Guinea Bissau component will be postponed to a later phase. Landlocked Mali was expected to join Phase 2 but was postponed due to the political situation. It is now under preparation together with Niger for APL 3¹⁰ for a planned FY 15 Board presentation. The last phase originally planned for providing regional connectivity by

⁹ In the future, these regional multi-phase operations will be presented as "Series of projects", given changes in OP 10.0 effective April 8, 2013.

¹⁰ The PCN Meeting for WARCIP APL 3 took place on December 10, 2012.

leveraging alternative networks has not started yet. This phase will include selected countries which have the most advanced alternative telecom networks including electricity transmission lines. Particular attention will be devoted to leveraging the proposed WAPP network, to strengthen national backbones. The table below provides an update on status of implementation and preparation of the different phases in comparison with the Program as approved in 2010.

Table 3: Status of implementation and preparation of the WARCIP APL Phases

Program Phases and Indicative Costs (US\$ million) as approved in 2010	Status
APL 1 -A Liberia, Sierra Leone. US\$56.6 million	US\$56.6 million <ul style="list-style-type: none"> • Liberia and Sierra-Leone approved as planned (ACE connectivity for both countries)
APL 1-B Original: Togo, Gambia, Guinea, Guinea-Bissau. US\$88 million Final as approved: Burkina Faso, the Gambia and Guinea (US\$92 million)	US\$92 million <ul style="list-style-type: none"> • Gambia and Guinea approved as planned (ACE connectivity for both countries) • Togo postponed due to competing priorities and Guinea Bissau postponed due to political uncertainty. • Burkina Faso included to have a pilot for landlocked countries
APL 1-C Original: Not planned Final as approved: Benin	US\$35 million <ul style="list-style-type: none"> • A new APL 1 C was added for Benin which expressed interest and readiness to be considered for ACE connectivity
APL 2 Original: Burkina Faso, Niger, Mali. US\$55.5 million Final as submitted for Approval: Mauritania and Togo US\$60 million	US\$60 million. <ul style="list-style-type: none"> • Burkina Faso included in APL 1-B to have a pilot for landlocked countries • Mali and Niger will be treated in a follow up US\$ 54.5 million APL3 phase currently under preparation for a proposed FY15 Board presentation. • APL submitted for Approval for Togo and Mauritania
Benin, Cote d'Ivoire, Ghana, Nigeria, Senegal. US\$94.9 million	US\$54.5 million <ul style="list-style-type: none"> • Benin advanced to APL 1 C • Mali and Niger will be treated in a follow up US\$54.5 million APL3 phase • Cote d'Ivoire, Ghana, Nigeria, Senegal under discussion at technical level and could be handled under the last series of projects under WARCIP.
US\$ 300 million regional APL instrument	US\$183 million committed under APL1 US\$60.0 million submitted for approval under APL2 US\$54.5 million under preparation under APL3 TOTAL: US\$297.5 million
Support to regional institutions (Regional grant)	Proposed to be submitted with WARCIP Mali and Niger.

iii. Country readiness for WARCIP 2

- 31. Mauritania has expressed interest to join WARCIP and fully meets the triggers to participate in the WARCIP Program.** As indicated in the WARCIP Program PAD approved by Board in January 2011, countries join different phases of the program based on their readiness. Triggers include (i) government commitment to liberalization and open access principles, (ii) existence of PPP framework (or willingness to formulate one as part of preparatory activities), and (iii) government commitment to increased sector competition as evidenced by pro-competitive policy and regulatory frameworks. Mauritania fully meets the triggers to participate in the WARCIP Program. The sector is fully liberalized and highly competitive and Mauritania has already implemented a PPP / open access framework that they elaborated for the country connection to the Africa Coast to Europe (ACE) submarine cable. The GoM made a request to join WARCIP in October 2011 and received a Project Preparation Advance (PPA) to conduct preparatory activities related to establishing a PPP framework and open access regime for the backbone links and the career hotel and to put in place an open access regime. Using the PPA resources, the GoM, and sector stakeholders agreed on March 11, 2013 on the appropriate PPP arrangement (see Appraisal Summary, in Mauritania Technical Annex).
- 32. Togo has expressed interest to join WARCIP and demonstrates readiness to meet the Program's triggers for PPPs and open access:** The GoT made a request to join WARCIP in July 2011 and received a Project Preparation Advance (PPA) to conduct preparatory activities related to establishing a PPP framework and open access regime for the career hotel and to put in place an open access regime. In addition, the GoT has committed to improve sector efficiency through a number of ongoing reforms including launching the process for new ISPs, process for issuing MVNO licenses and starting the process to restructure Togo Telecom and include dominance based regulatory framework to ensure fair competition in the market. The GoT has also committed to adopt a PPP approach to the WACS cable capacity to ensure fair and open access to this critical asset for the sector. The reform agenda is being carried out with support of the budget support operation and Technical Assistance support through non lending TA and complementary trust fund resources.
- 33. Total IDA proposed budget for WARCIP APL 2 is US\$60.0 million.** This will be complemented by resources from the European Development Bank and counterpart funding for the Mauritania component resulting in a total project budget of US\$ 81.5 million. Details on components/activities that will benefit from co-financing are available in the Technical Annex for Mauritania.

iv. Indicative Program Costing Table

Table 2: Indicative Program Cost Table in US\$ (million)

	Mauritania	Togo	Total
Improving connectivity	21.5	16.0	37.5
Enabling environment	5.3	11.5	16.8
Implementation support	3.2	2.5	5.7
Total IDA	30.0	30.0	60.0
Regional IDA	20.0	20.0	
National IDA	10.0	10.0	
Co- financing	21.5*	0.0	21.5
Total	51.5	30.00	81.5

* GoM exempts the project from import duties, Value Added Tax and other possible taxes).

C. Lessons Learned and Reflected in the Program Design

- 34. The project draws on lessons learned from ICT infrastructure projects in areas related PPP arrangements, open access principles and dealing with weak implementation capacity.** Emerging international best practice (e.g. Kenya, Tanzania, Rwanda and Uganda) indicates the best management structures for high capacity broadband networks are under PPPs. Integrating the private sector brings access to private capital, reduced public sector operational risk, faster project deliveries, project management skills, entrepreneurship and innovation. The open access non-discriminatory treatment of all entities, fosters transparency, facilitates market entry, and promotes reasonable tariffs, maximizing the project's developmental contribution. Lessons learned from similar operations under regional connectivity projects such as WARCIP, CAB and RCIP indicate that PPP and Open Access discussions often run into obstacles when it comes to the practical detail of how to implement PPP and Open Access principles. WARCIP 2 is financing extensive legal and regulatory technical assistance under the PPAs to discuss and select in close interaction with the private sector the preferred PPP option for the infrastructure components of both projects. More specifically, experience under WARCIP Liberia, Sierra Leone, Gambia, Guinea and Benin is key for WARCIP Togo looking at establishing open access to capacity in carrier hotel. Lessons learned in Burkina Faso is key to guiding components related to establishing carrier hotels in both countries. Finally lessons from CAB and RCIP projects in Africa Region related to backbone development are important for WARCIP Mauritania. The team has also drawn on lessons learned from the CARCIP connectivity project in the LAC region. Additional lessons related to implementation difficulties and limited capacity on FM, procurement and M&E functions witnessed in previous WARCIP phases have been taken into account in the design of WARCIP 2.
- 35. The projects builds on general lessons learned in the ICT sector.** Key lessons learned and applied to the project design are: (a) project development objectives should be realistic, focused and achievable in the country, sector and implementing agency context; (b) project components should support country priorities and have broad ownership among stakeholders; (c) project design should be flexible to adapt to a rapidly changing environment; (d) implementation support should be included in Project activities with a focus on retaining staff to ensure continuity and an accumulation of capacity within the implementing agency; (e) importance to manage resistance to reforms from incumbent operators through associating them to project preparation from early stage and identifying

project activities to support incumbents cope with changes resulting from project activities and (f) There is a need for limited catalytic public funding for infrastructure to improve access to ICT infrastructure development, in particular in infrastructure market segments that fail to attract private investment. PPP structures will be established in all of the three countries.

36. **WARCIP Mauritania project incorporates general good practice and lessons learned from managing multi donor operations in the Africa Region as well as specific lessons from recent Bank's projects co-financed with EIB**, such the Lom Pangar Hydropower Project in Cameroon or the Zambia Kafue Town - Muzuma - Victoria Falls Regional Transmission Line Reinforcement Project.

IV. Implementation

A. Institutional and Implementation Arrangements

37. **Implementation will be done via Project Implementation Units (PIUs)**. New PIUs will be established in both countries under sector Ministries dealing with the telecommunications sector. In the case of Mauritania, the PIU is established and a National Connectivity Steering Commission will be in charge of providing overall technical and operative guidance, direction and coordination during project implementation. In Togo, the PIU will be assisted by a project team called focal units forum, composed of representatives from relevant Ministries, the national regulator and private sector. The PIUs will consist of a project coordinator, procurement specialist, financial management specialist, M&E specialists and accountants as required. Technical specialists will also be hired to increase the ability of the relevant ministries to implement the project. Detailed implementation arrangements are included in the Technical annexes for each country operation.

B. Results Monitoring and Evaluation

38. **PIUs will monitor and evaluate national projects**. The PIUs in each country will bear the primary responsibility for project monitoring and evaluation (M&E), and, as such, will establish standard formats and guidelines for data collection and reporting, and will organize training sessions for project stakeholders in their use. Monitoring and evaluation of the project will be embedded in its various components to ensure results and a detailed M&E plan will be developed. Detailed information on specific institutional arrangements is provided in the Technical Annexes (Annex 3).
39. **The views of direct beneficiaries will be brought into the monitoring and evaluation process**. Comprehensive M&E reporting will be needed to monitor the results and performance of the project. It will involve mainly the direct beneficiaries of project activities, but will be extended to other beneficiaries such as telecommunications operators and service providers as well as private ICT firms, which ultimately are the main beneficiaries of the project's outcomes. The PIUs will review and validate the reports on performance indicators and recommend corrective action if necessary.

C. Sustainability

- 40. The sustainability of the project benefits will depend on Governments' commitment to telecommunications and ICT and their ability to create and maintain enabling environments.** The sustainability of project benefits will depend on a number of factors, including the commitment of policy makers to putting ICT reform at the forefront of the development agenda; the ability to create effective competition in the telecommunications industry in order to keep prices low; and the ability to establish the PPP framework for connectivity. Commitment of both national governments and regional organizations has been very strong for WARCIP.
- 41. Improved access and lower prices will be sustained.** Improved service coverage and quality at more competitive prices for international connectivity and for data services will be sustained as it will create opportunities for advanced applications, using more bandwidth and creating more traffic.
- 42. Local capacity will be strengthened through training and technical assistance.** The program will make significant investments in capacity-building efforts through training and technical assistance to build technical expertise, social capital, and knowledge. With the focus on building sustainable capacity in key institutions such as regulators and Ministries, the benefits of the project are expected to last far beyond program completion. As such capacity will support the creation of ICT policy and regulatory know-how to guide sector growth and applications in the future.

V. Key Risks and Mitigation

A. Risk rating table

Risk	Rating
Stakeholder Risk	H
Implementing Agency Risk	
- Capacity	S
- Governance	S
Project Risk	
- Design	S
- Social and Environmental	S
- Program and Donor	M
- Delivery Monitoring and Sustainability	S
Other	
- Other (Delays in passing the communications law in Mauritania)	M
- Other (Possible resistance of Mauritel)	M
Overall Implementation Risk	S

L - Low, M - Moderate, S – Substantial, H – High

B. Overall Risk Rating Explanation

- 43. The overall risk rating for WARCIP APL 2 at preparation and implementation is Substantial.** In addition to country risks, a number of project risks have been identified in both countries including (i) interest and level of participation of the private sector in financing the proposed infrastructure under the connectivity component, (ii) possible delays in implementation of reform, (iii) possible resistance from the incumbents especially in the case of Togo as well as (iv) overall weak capacity to implement the projects. Detailed description of risks and mitigation measures is included in the ORAF as well as in the country technical annexes.

VI. Appraisal Summary

A. Economic and Financial Analysis

- 44. Improving connectivity will result in a suitable economic return and significant financial savings for both countries.** In the case of Mauritania the construction of missing links to Mauritania's regional and national fiber optic backbone is the most cost-effective long-term solution for improved access to broadband and other communications services in the territory of Mauritania as well as for providing important alternative routes to international connectivity in the region. All scenario as well as sensitivity analysis on the CAPEX show positive IRR after 20 years. Base case and optimistic case have a positive NPV indicating an IRR after 20 years equal or greater than 10%, and the conservative case with 9.7% is very close to 10% IRR. The project would be cash flow positive between 2032 and 2034 depending on the scenario. In case of higher CAPEX all scenario show IRR between 8 and 9%, whilst in case of lower CAPEX all scenario show IRR between 12% and 15%. However, as the missing links will be procured according to ICB, it is expected that the CAPEX are unlikely to exceed \$39, 5 million. In the base case scenario, assuming a discount rate of 10%, the project is estimated to have a NPV of \$US2 million over 20 years and an IRR of 11%, breakeven payback occurring in 2032. In the optimistic case scenario, assuming a discount rate of 10%, the project is estimated to have a NPV of \$US6 million over 20 years and an IRR of 11%, breakeven payback occurring in 2032. The financial analysis confirms GoM and private sector preliminary view that the proposed routes are appropriate candidates for a PPP.
- 45. Togo will also see similar economic return and significant financial savings as a result of the project.** The investment will see Togo breakeven by 2016, depending on the wholesale price adopted, with an NPV to 2023 of US\$9.99 million and an IRR of 24.1%, (assuming an average wholesale bandwidth sale price of US\$40/Mbps/month, declining to US\$20 in year 5), and an NPV US\$24.04 million and an of IRR of 33.9%, assuming US\$60/Mbps/month, declining to US\$30, wholesale price. Depending on the revenue model and capacity pricing adopted, the investment in the Carrier Hotel in Togo will breakeven by 2017-2019 after which the project will be cash-flow positive if wholesale pricing levels are maintained. The investment will see Togo breakeven by 2017-2019, depending on the wholesale price adopted, with an NPV to 2023 of US\$8.49 million and an IRR of 26.6%, (assuming an average wholesale bandwidth sale price of US\$200/Mbps/month, declining to

US\$100 in year 5), and an NPV US\$958,628 and an IRR of 16.32%, assuming US\$100/Mbps/month, declining to US\$50, wholesale price.

- 46. Benefits from targeted countries will spill over to neighboring countries.** The benefits projected to accrue in the targeted countries (i.e. increased access to quality and affordable ICT services) spill over country boundaries as: (i) higher volumes increase the viability of the regional communications infrastructure network, decrease cost of access and increase trade between African countries, and (ii) cross-border initiatives provide countries with the incentives to develop missing infrastructure to increase ICT access. Indeed, the implementation of the WARCIP will have a transformational impact on regional connectivity which will impact regional trade and overall economic integration of the participating West African countries.
- 47. The project will increase access to internet, create jobs, improve education opportunities and public administration and increase government revenues.** The project will bring significant benefits to both countries in a number of ways including (i) increased public access to Internet services (ii) a broad range of social benefits through increased labor productivity, employment creation, learning opportunities for youth, participation by women in the labor market, and improved public administration (iii) greater fiscal returns due to new sources of revenue for both governments. It must be noted, however, that the economic and financial benefits of components 2 related to enabling environment are generally difficult to quantify because of the inadequacy of data available at the outset.

B. Technical

- 48. WARCIP 2 recognizes that infrastructure and policy environment bottlenecks need to be addressed to ensure better communications access.** The technical design of the project reflects lessons learned in the sector and international best practices for setting up the PPP frameworks and ensuring open access for the proposed infrastructure. In addition more specific technical design aspects for each country have been considered including due diligence for the investments associated with the proposed routes under WARCIP Mauritania, confirming a total Capital Expenditure (CAPEX) of US\$ 39.5 million using a sample historical data available to the Bank's ICT unit and taking into account soil conditions for each link.

C. Financial Management

- 49. The overall risk for the project is rated Substantial for both countries and is expected to be moderate once the mitigation measures are implemented.** The assessment of the project's financial management arrangements of the PIUs - as documented in the separate country technical annexes Mauritania and for Togo- indicates that a number of mitigation measures are needed to ensure that the systems are sufficiently robust to meet the Bank's minimum requirements under OP/BP10.02. Mitigation measures include (i) the recruitment by effectiveness of FM specialists with qualifications and experiences satisfactory to the Bank¹¹, (ii) the preparation, before negotiations of an FM manual for the project¹², and (iii) the set-up of accounting software, three months after effectiveness.

¹¹ The recruitment process is ongoing for both countries.

D. Procurement

- 50. Procurement for the proposed project would be carried out in accordance with the World Bank's Guidelines.** "Guidelines: Procurement of Goods, Works and Non-consulting Services Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, and "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011" and the provisions stipulated in the Financing Agreement.
- 51. Procurement risks have been assessed in both countries as part of project preparation.** The overall project risk for procurement for Mauritania is High and expected to become substantial once the mitigation measures are in place. In the case of Togo, the procurement risks are Substantial and expected to become Moderate once the mitigation measures are in place. The Technical Annexes provide detailed mitigation measures for both countries.

E. Environment and Social Safeguards

- 52. Environmental and social impacts of the project, for the most part, are expected to be minimal, site-specific and manageable to an acceptable level.** WARCIP Mauritania and WARCIP Togo projects are rated as a Category B. The following Safeguards policies are triggered: OP/BP 4.01 (Environmental Assessment); OP/BP 4.04 (Natural Habitat), OP/BP 4.11 (Physical Cultural) and OP/BP 4.12 (Involuntary Resettlement. Negative impacts come mainly from the laying of the fiber (and excavation through human settlements, fields, forests, etc.) that could lead to: soil erosion (in dune areas); soil and water pollution; loss of vegetation (tree felling); the disruption of life (waste from work), of socio-economic activities and livelihoods located on the way (workshops, garages, shops, etc.); disturbance of traffic; noise; dust; risk of accident and the generation of waste; occupation of private land; possible destruction of but also the risk of vandalism and social frustration when local workforce is not used. The accurate estimate of the number of people who will be affected is not feasible until the final sites have been chosen. Negative impacts for the IXP/Carrier Hotel/Datacenter should be limited to risks of accidents during the works.
- 53. Because the exact nature and location of investments is not determined up front, the recipients prepared and consulted upon an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF).** The ESMF and RPF for both countries have been cleared and disclosed in country and in Infoshop prior to appraisal¹². Relevant provisions of the safeguards documents will be included in the Project Implementation Manual. The supervision of safeguards implementation for WARCIP 2 will be done as part of the overall project implementation by the WARCIP PIUs in each country in coordination with in the Line Ministry in charge of Environment and Sustainable

¹² In the case of Mauritania, the project manuals have been prepared before negotiations and were accepted by the Bank. In the case of Togo a draft manual has been prepared before negotiations. The final draft is expected by June 30, 2013.

¹³ The documents have been disclosed in Infoshop on March 08, 2013 for Mauritania and March 20, 2013 for Togo.

Development, in the case of Mauritania and with Agence Nationale de la Gestion Environnementale (ANGE) in the case of Togo. Once the final paths and sites are chosen and the specific civil works identified, an Environmental and Social Assessment, including an ESMP, and a RAP will be prepared by both governments as part of project implementation but before the terrestrial fiber optic links are laid and the IXP/Carrier Hotel/Datacenter is built.

F. Legal conditions and Covenants

Conditions and Legal Covenants for Mauritania

54. Effectiveness conditions:

Standard one related to the execution of the Financing Agreement and the provision of a legal opinion thereon to attest to the validity and binding force of the Financing Agreement.

55. Disbursement conditions:

No withdrawal shall be made under Category (1) (a) (works and goods under component 1 (a) of the Project for the construction of the fiber optic missing links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building), until and unless:

- 1) The Recipient (i) shall have adopted the ESIA, ESMP and RAP, as the case may be, and the same documents have been consulted upon and disclosed as approved by the Association; and (ii) shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the activities under Part 1 (a) of the Project meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Association's applicable environmental and social assessment and social review procedures and comply with the environmental and social review procedures set forth in the ESIA, ESMP and RAP, as the case may be, and the Project Implementation Manual;
- 2) (A) The Holding Company for Digital Assets has been duly created, registered and made operational in the territory of the Recipient, including through the appointment of its manager and adoption of its shareholders' agreement and its by-laws, in form and substance satisfactory to the Association; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Holding Company for Digital Assets has been duly created, registered and made operational in the territory of the Recipient and is legally authorized to operate in accordance with the laws of the Recipient;
- 3) (A) The legal framework of the IMT, including its legal status, mandate, objective, powers and/or operations, as the case may be, has been modified as required, and the IMT is operational, for the purposes of carrying out Part 1 (a) of the Project on behalf of the Holding Company for Digital Assets in accordance with the provisions of the Delegated Contractual Agreement; (B) the IMT has obtained all necessary authorizations, permits and/or licenses as required for the purpose and pursuant to the applicable legal and regulatory framework; and (C) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the

Association showing that the IMT has been duly modified and made operational in the territory of the Recipient for the purposes of carrying out Part 1 (a) of the Project and is legally authorized to operate and provide services on Part 1 (a) of the Project in accordance with the laws of the Recipient;

- 4) (A) the Main Contractual Agreement, in form and substance satisfactory to the Association, has been entered into between the Recipient and the Holding Company for Digital Assets; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Main Contractual Agreement has been duly authorized or ratified on behalf of the Recipient and the Holding Company for Digital Assets, and executed and delivered on its behalf, and is legally binding upon the Recipient and the Holding Company for Digital Assets in accordance with its terms; and
- 5) (A) the Delegation Contractual Agreement, in form and substance satisfactory to the Association, has been entered between the Holding Company for Digital Assets and the IMT; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Delegation Contractual Agreement has been duly authorized or ratified on behalf of the Holding Company for Digital Assets and of the IMT, and executed and delivered on their behalf, and is legally binding upon the Recipient and the IMT in accordance with its terms.

56. Legal covenants:

- 1) The Co-financing Deadline for the effectiveness of the EIB Co-financing Agreement is December 31, 2014.
- 2) The Recipient, through its MDEFNT, shall ensure the overall responsibility for smooth Project implementation, coordination with the Association and the Co-financier, and supervision of the Project is carried out by the Project Implementation Unit with due diligence and efficiency. To this end, the Recipient shall maintain the Project Implementation Unit throughout Project implementation under terms of reference satisfactory to the Association and with staff and resources adequate to enable it to carry out its responsibilities under the Project. The PIU shall be headed by a Project coordinator, assisted by a deputy coordinator, whom shall both: (i) report directly to the minister in charge of new technologies; (ii) be directly responsible for the implementation of the 2012-2016 Strategy for ICT and Modernization of Public Service; and (iii) carry out their responsibilities under terms of reference satisfactory to the Association.
- 3) To ensure the success of the Project, the Recipient shall: provide to the PIU, throughout Project implementation: (i) adequate office space out of charge in the vicinity of the office where the PIU coordinator carries out his/her daily work responsibilities at the MDEFNT; and (ii) the resources necessary to enable the PIU to carry out its responsibilities under the Project by means of punctual deposits, in a manner satisfactory to the Association and into an account acceptable to the Association: (A) not later than June 30, 2013, an amount of not less than MRO 12,000,000; (B) not later than September 30, 2013, an amount of not less than MRO 36,000,000; and (C) not later than, respectively, each of May 31, 2014, May 31, 2015, May 31, 2016 and May 31, 2017, an amount of not less than MRO 48,000,000.

4) (a) To ensure effective coordination among all Project beneficiaries, in particular among the MDEFPNT, ARE and APAUS, and the timely involvement of other governmental stakeholders in Project implementation and oversight, the Recipient shall maintain throughout Project implementation the National Connectivity Steering Commission under terms of reference satisfactory to the Association and vested with the responsibility of providing overall policy and strategic direction as well as general Project oversight and overall operative guidance. The National Connectivity Steering Commission shall be comprised at all times of representatives of the MDEFPNT, ARE and APAUS as well as the PIU coordinator. The National Connectivity Steering Commission shall meet at least once every semester.

5) To facilitate the carrying out of Part 1 (a) of the Project, the Recipient shall have in place a suitable contractual framework to ensure the Financing is used for the intended purposes. To that end, the Recipient shall conclude a contractual agreement (“Main Contractual Agreement”) with the Holding Company for Digital Assets whereby the Recipient shall, among others, transfer to the Holding Company for Digital Assets: (A) on a non-reimbursable basis, the proceeds of the Financing allocated from time to time to Category (1) (a) to finance the building of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building under Part 1 (a) of the Project to be implemented by the PIU; and (B) the ownership of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project.

6) In order to ensure the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project are operated with due diligence and efficiency and are managed in a manner suitable to ensure services are delivered according to Open Access principles and in a manner satisfactory to the Association, the Recipient shall cause the Holding Company for Digital Assets to enter into a delegated contractual agreement (“Delegated Contractual Agreement”) with the IMT whereby the Holding Company for Digital Assets shall assign to the IMT full responsibility for the management and operation of the backbone links and the Internet Exchange Point/Carrier Hotel/Datacenter technical building to be built under Part 1 (a) of the Project.

7) The Recipient shall take on its behalf, and ensure the Holding Company for Digital Assets take on its behalf, all action necessary:

- i. to comply with the ESMF and to carry out the ESIA and/or the ESMP, as the case may be, with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESIA and/or the ESMP, as the case may be, are appropriately included in the works, goods and services contracts to be concluded under Part 1 (a) of the Project and that they are implemented in the carrying out of said Part 1(a); and (iii) to maintain the Recipient and the Association suitably informed of the progress in the implementation of the ESIA and/or the ESMP, as the case may be, through the information to be prepared and furnished to the Recipient in the Project Reports; and
- ii. to comply with the RPF and to carry out the RAP with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to adequately monitor and evaluate the carrying out of the activities provided in the RAP in the carrying out of Part 1 (a) of the Project; and (iii) to maintain the Recipient and the

Association suitably informed of the progress in the implementation of the RAP through the information to be prepared and furnished to the Recipient in the Project Reports.

- 8) For the purposes of the Training to be provided under the Project, the Recipient shall:
- i. furnish to the Association for its approval, not later than January 31 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;
 - ii. select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and
 - iii. furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.
- 9) With a view to leverage the new connectivity to be developed under the Project, the Recipient shall take all action required on its behalf to make available to the PIU, not later than January 1, 2014, an amount equivalent to at least one million dollars (\$1,000,000) to support the implementation with due diligence and in a timely fashion of activities No. 433 (Mettre en place un Centre National de Données) and No. 435 (Mettre en place un prestataire de certification électronique) of the 2012-2016 Strategy for ICT and Modernization of Public Service.
- 10) The Recipient shall ensure that draft new legislation, satisfactory to the Association, aimed to revise the Recipient's existing ICT legal and regulatory framework is approved by the Recipient's Council of Minister not later than September 30, 2013.
- 11) The Recipient shall exempt the contractors, suppliers and/or consultants (or the Recipient shall pay on behalf of the contractors, suppliers and/or consultants) from any taxes, duties, fees, levies and other impositions imposed on the contractors, suppliers and/or consultants under the laws and regulations in effect in the territory of the Recipient in respect of any payments whatsoever made to the contractors, suppliers, and/or consultants in connection with the Project, any equipment, materials and supplies brought into the Recipient's territory by the contractors, suppliers, and/or consultants for the purpose of carrying out the Project and which, after having been brought into such territory, will be subsequently withdrawn, any equipment, material and supplies brought into the Recipient's territory by the contractors, suppliers and/or consultants for the purpose of carrying out the Project and which will be consumed therein or will become the property of the Recipient, and any property brought into the Recipient's territory by the contractors, suppliers and/or consultants (other than nationals of the Recipient or permanent residents of the Recipient's territory) for their personal use and which will be consumed therein or subsequently withdrawn therefrom by them upon their departure.
- 12) In the event the site chosen for the building, under Part 1 (a) of the Project, of the Internet Exchange Point/Carrier Hotel/Datacenter technical building is not within the premises of the landing station of the Africa Coast to Europe Submarine Cable, the Recipient shall make available to the Holding Company for Digital Assets, in the form of in-kind contribution and free of charge, the piece of land suitable and necessary for the building of

the said Internet Exchange Point/Carrier Hotel/Datacenter technical building, both in size and legal and physical condition acceptable to the Association.

13) The Recipient shall, not later than four (4) months after the Effective Date: (i) employ an accountant and an external auditor for the PIU under terms of reference satisfactory and with qualifications and experience satisfactory to the Association; and (ii) finalize the installation of accounting software for the Project satisfactory to the Association.

Conditions and Legal Covenants for Togo

57. Effectiveness conditions:

The Recipient shall have established the PIU under terms of reference and with staff in numbers and with qualifications satisfactory to the Association. As part of such staffing, there shall be in place for the PIU: (i) the Project coordinator; and (ii) a financial management specialist and a procurement specialist, all of them under terms of reference and with qualifications and experience satisfactory to the Association.

58. Disbursement conditions:

No withdrawal shall be made:

1) Under Category (1) (works for the establishment of the neutral Carrier Hotel and the Internet Exchange Point under Part 1 (a) of the Project), until and unless:

- i. (A) the Association shall have approved the ESIA, ESMP, and/or the RAP, as the case may be, and the same documents have been consulted upon and disclosed as approved by the Association; and (B) the Recipient shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the activities under Parts 1 (a) of the Project meet the environmental and social requirements of appropriate national and local authorities and that they are consistent with the Association's applicable environmental and social assessment and safeguard policies and comply with the environmental and social review procedures set forth in the Project Implementation Manual;
- ii. (A) the SPV and the PPP have been duly created, registered and made operational in the territory of the Recipient, including through the appointment of their managers and the adoption of their by-laws, in form and substance satisfactory to the Association; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the SPV and the PPP have been duly created, registered and made operational in the territory of the Recipient and are legally authorized to operate in accordance with the laws of the Recipient;

- iii. (A) the Main Contractual Agreement, in form and substance satisfactory to the Association, has been entered into between the Recipient and the SPV; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Main Contractual Agreement has been duly authorized or ratified on behalf of the Recipient and the SPV, and executed and delivered on their behalf, and is legally binding upon the Recipient and the SPV in accordance with their terms; and
- iv. (A) the PPP Agreement, in form and substance satisfactory to the Association, has been entered between the SPV and the PPP; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the PPP Agreement has been duly authorized or ratified on behalf of the SPV and of the PPP, and executed and delivered on their behalf, and is legally binding upon the SPV and the PPP in accordance with its terms.

2) Under Category (2) (for payment of Lease of Capacity, the expenditures to be incurred by the GoT under Part 1 (b) of the Project to secure access to international bandwidth) until and unless: (A) the Capacity Purchase Contract, in form and substance satisfactory to the Association, has been entered into between the SPV or the PPP, as the case may be, and the supplier selected for the delivery of high capacity bandwidth under Part 1 (b) of the Project; and (B) there shall be furnished to the Association an opinion satisfactory to the Association of counsel acceptable to the Association showing that the Capacity Purchase Contract has been duly authorized on behalf of the SPV or the PPP, as the case may be, and the supplier, and executed and delivered on their behalf, and is legally binding upon the SPV or the PPP, as the case may be, and the supplier in accordance with its terms.

59. Legal covenants

1) The Recipient shall: (i) not later than three (3) months after the Effective Date, acquire and install in the PIU accounting software suitable for the purposes of the Project; and (ii) not later than four (4) months after the Effective Date, employ an external auditor for the PIU under terms of reference satisfactory and with qualifications and experience satisfactory to the Association.

2) To facilitate the carrying out of Part 1 of the Project, the Recipient shall have in place a suitable contractual framework to ensure the Financing is used for the intended purposes. To that end, the Recipient shall conclude a contractual agreement (“Main Contractual Agreement”) with the SPV whereby the Recipient shall transfer to the SPV: (A) on a non-reimbursable basis, the proceeds of the Financing allocated from time to time to Category (1) to finance the Carrier Hotel and Internet Exchange Point to be established under Part 1 (a) of the Project and to be implemented by the PIU; and (B) the ownership of the Carrier Hotel and Internet Exchange Point to be established under Part 1 (a) of the Project.

3) In order to ensure the Carrier Hotel and the Internet Exchange Point to be established under Part 1 (a) of the Project are operated with due diligence and efficiency and are managed in a manner suitable to ensure services are delivered according to Open Access principles and in a manner satisfactory to the Association, the Recipient shall cause the SPV

to enter into a PPP agreement (“PPP Agreement”) with the PPP whereby the SPV shall transfer to the PPP the proceeds of the Financing allocated from time to time to Categories (2) and (3) and assign to the PPP responsibility for the management and operation of the Carrier Hotel and the Internet Exchange Point to be established under Part 1 (a) of the Project.

4) For the purposes of securing access to international bandwidth under Part 1 (b) of the Project, either by IRU or through refill of capacity from other neighboring countries, the Recipient shall cause the SPV or the PPP, as the case may be, to execute a capacity purchase contract (“Capacity Purchase Contract”), in form and substance satisfactory to the Association and in accordance with the PPP principles, with a suitable supplier of international bandwidth.

5) The Recipient shall:

- iii. take all measures required on its behalf to carry out, and to ensure that the SPV and/or the PPP, as the case may be, carry out, the ESIA, ESMP, and/or the RAP, as the case may be, in accordance with the provisions of the ESMF and the RPF; and
- iv. ensure that the relevant mitigation and monitoring provisions of the ESIA, ESMP, and/or RAP, as the case may be, are appropriately implemented and that adequate information on how any potential negative impact under Part 1 (a) of the Project has been minimized is suitably included in the Project Reports to be prepared pursuant to the provisions of Section II.A.1 of this Schedule.

6) For the purposes of the Training to be provided under the Project, the Recipient shall:

- (a) furnish to the Association for its approval, not later than November 30 of each year, a training program including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;
- (b) select the trainees in accordance with a transparent process and criteria satisfactory to the Association; and
- (c) furnish to the Association a report of such scope and detail as the Association shall reasonably request, on the results of each training and the benefits to be derived therefrom.

7) The Recipient, through the PIU, shall:

- i. maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of the Project and the achievement of the objectives thereof;
- ii. prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about thirty-five (35) months after the Effective Date, a report integrating the results of the monitoring and evaluation activities and

setting out the measures recommended to ensure the efficient carrying out of the Project and achievement of the objectives thereof during the period following such date; and

- iii. review with the Association, on or about thirty-seven (37) months after the Effective Date, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

4) The Recipient, through its MPT, shall ensure overall coordination, implementation and supervision of the Project is carried out by the Project Implementation Unit with due diligence and efficiency. To this end, the Recipient shall maintain the Project Implementation Unit throughout Project implementation under terms of reference satisfactory to the Association and with staff and resources adequate to enable it to carry out its responsibilities under the Project.

5) The Recipient shall, not later than three (3) months after the Effective Date, employ a monitoring and evaluation specialist, and a telecommunications specialist for the PIU under terms of reference and with qualifications and experience satisfactory to the Association.

Annex 1
Operational Risk Assessment Framework (ORAF)
Mauritania and Togo
WARCIP APL2
Stage: Board

NB: Country risks are found in the ORAFs in the two country annexes.

Project Stakeholder Risks					
Stakeholder Risk	Rating	High			
<p>Description:</p> <p>TOGO: Current Risk Rating is H. Early indication shows strong commitment to PPP in Togo. However there is a risk of private sector main stakeholders may not always have the same immediate interests as the Government and may resist an attempt to foster facility sharing at industry level. Potential "veto" by 100% public owned incumbent over the proposed purchase of capacity and proposed competition for international connectivity.</p> <p>MAURITANIA: Current Risk Rating is S. There is already an experience with PPP in Mauritania for the ACE submarine cable and landing station. However, despite initial interest for a PPP on economically less interesting paths of the national backbone and identification of the preferred between the 2 main options to be considered through consultation between public and private stakeholders, there is a risk of private sector main stakeholders not having the same initial interest as GoM and resisting an attempt to boost facility-sharing at industry level.</p>	Risk Management:				
	TOGO:				
	<ul style="list-style-type: none"> • Use PPA resources to provide technical assistance and conduct consultation to agree on a PPP structure that will make it attractive for private investment. • Use PPA to demonstrate strategic and economic incentives for Togo Telecom to willingly participate in the proposed infrastructure. • Very strong commitment from Government on PPP agenda. • Work on mitigation measures to deal with resistance of Togo telecom by working in parallel on improving sector efficiency. Reform activities related to (i) opening the sector to new players through ISPs, MVNO, etc, (ii) removing constraints for operators to deploy alternative fiber infrastructure to Togo Telecom and (iii) development of a neutral carrier hotel will create needed mitigation to ensure success of the project. 				
	Resp:	Status:	Stage:	Recurrent:	Due Date:
Client	In Progress	Preparation	<input type="checkbox"/>	23-Jun-2013	
Risk Management:					
MAURITANIA:					
PPA resources are used to finance extensive legal, economic and regulatory technical assistance for GoM to implement in close interaction with the private sector the					

	<p>preferred PPP option singled out with all stakeholders through consultation (expanding the activities of the existing PPP IMT to the operation of backbone links and IXP/Carrier Hotel/Datacenter building, GoM retaining the property of the assets through a Holding Company for Digital Assets). GoM is also willing to consider proceeds of the universal access should there be financing needs in the initial years of operation.</p> <p>PPA resources are used to financed technical assistance to ARE on developing key regulatory tools (definition and implementation of fiber optic interconnection and sharing regulation tools; assessing technical, financial and operational conditions to access fiber made available by third parties) required by the new electronic communications Law expected to be approved in Council of Ministers by mid April 2013.</p>				
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
Both	In Progress	Both	<input type="checkbox"/>	30-Sep-2013	

Implementing Agency (IA) Risks (including Fiduciary Risks)

Capacity	Rating	Substantial
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<p>Description: TOGO: Current Risk Rating is S. Capacity of the implementing agency is low. In addition, the project includes complex schemes such as PPP which are new to the agencies and sometimes the sector. FM and procurement assessments of implementing agencies will be conducted as part of project preparations.</p> <p>MAURITANIA: Current Risk Rating is S. The main capacity constraints are those related to the capacity of staff of Line ministry MDEFPNT to leverage the proposed operation to advance key priorities of the 2012-2016 Strategy and to make timely decision in conjunction with other beneficiaries regulatory authority ARE and universal access agency APAUS (leading to delays in implementation and slow disbursement).</p> <p>As there has not always satisfactory adherence to the public procurement laws and regulations, particularly with regards to an open and competitive process, GoM has recently reformed the public procurement laws and regulations. However, the recently created Public Procurement Commission in charge (amongst other sectors) of ICT remains in need for technical support.</p>	<p>Risk Management:</p> <p>TOGO:</p> <p>(a) The Bank will fund targeted TA and capacity building activities as part of the operation throughout the project implementation.</p> <p>(b) The option of using existent PIUs was discussed with the clients and a strong preference was expressed for dedicated PIUs. This will allow a better ownership of the project by the implementing agencies and will ensure technical support needed from the line Ministry. The core PIUs staff will consist of a project coordinator, procurement specialist, financial specialist, and an office assistant.</p> <p>(c) Technical specialists will also be hired for implementation of the project. In addition national technical teams will be hired for the carrier hotel to work closely with the international consultant during the feasibility phase as well as during project implementation to build implementation capacity for running the carrier hotel early on. The local team could be considered for hiring as full time staff of the SPV at a later stage to ensure continuity.</p>				
	<p>Resp: Client</p>	<p>Status: In Progress</p>	<p>Stage: Preparation</p>	<p>Recurrent: <input type="checkbox"/></p>	<p>Due Date: 15-Oct-2014</p>

<p>Risk Management:</p> <p>MAURITANIA: Because WARCIP Mauritania will support key strategic goals of the 2012-2016 Strategy for ICT and Modernization of Public Service, a small WARCIP Mauritania PIU will be set up in the line ministry with overall responsibility for smooth project implementation and coordination with the Bank and EIB. The small PIU will be comprising of a procurement specialist, a financial and administration specialist, an accountant and a</p>					
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	<p>technical expert (also in charge of M&E, including environmental and social safeguards) financed by the project. The coordinator and the deputy coordinator of WARCIP will be chosen so as to coincide with senior governmental positions directly entrusted with implementing the 2012-2016 Strategy and financed by GoM counterpart funding. The WARCIP Mauritania PIU is nurtured during the PPA in the PIU of an existing Bank project (PRECASP), with PRECASP being responsible for compliance with Bank's procurement, financial management and M&E (including safeguards) policies until evaluation by the Bank's procurement and financial management specialists confirms that responsibilities can be handed over from PRECASP to WARCIP Mauritania. A similar arrangement has been successfully implemented in Mauritania in the transport sector.</p> <p>The Bank will fund targeted TA and capacity building activities as part of the operation throughout project preparation and implementation. The strategy for implementation support has also been developed to provide mitigation measures to capacity risk.</p> <p>The Bank will fund targeted capacity building activities as part of the program throughout the project preparation and implementation, either in the framework of a general support to capacity building of the public sector (e.g. via PRECASP) or should an urgent need arise via the WARCIP Mauritania contingencies.</p>					
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input type="checkbox"/>	Due Date: 30-Sep-2013	Frequency:

Governance	Rating	Substantial				
<p>Description:</p> <p>TOGO: Current Risk Rating is S. Not always satisfactory adherence to the public procurement laws and regulations, particularly with regards to an open and competitive process.</p> <p>MAURITANIA: Current Risk Rating is S. As there has not always satisfactory adherence to the public procurement laws and regulations, particularly with regards to an open and competitive process, GoM has recently reformed the public procurement laws and regulations. However, the recently created Public Procurement Commission in charge (amongst other sectors) of ICT remains in need for technical support.</p>	Risk Management:					
	<p>TOGO: The Bank will fund targeted capacity building activities as part of the program throughout the project implementation.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Bank	Not Yet Due	Both	<input type="checkbox"/>		
	Risk Management:					
	<p>TOGO: Set up of a robust M&E system will allow for a thorough and comprehensive monitoring of the project performance.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	In Progress	Preparation	<input type="checkbox"/>	30-Nov-2012	
	Risk Management:					
	<p>MAURITANIA: The Bank will fund targeted capacity building activities as part of the program throughout the project implementation, either in the framework of a general support to capacity building of the public sector (e.g. via PRECASP) or should an urgent need arise via the WARCIP Mauritania contingencies.</p>					
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	
Client	In Progress	Both	<input type="checkbox"/>	21-Jan-2012		
Risk Management:						
<p>TOGO: The project, with the help of the Government and different stakeholders, will put in place institutional arrangements that will mitigate the risk of fraud and hamper the related incentives. In addition, International standards on fraud and corruption will be included in the external financial auditor TORs.</p>						

	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Bank	In Progress	Preparation	<input type="checkbox"/>	30-Nov-2011	
Risk Management:						
MAURITANIA: The project, with the help of Governments and different stakeholders, will put in place institutional arrangements that will mitigate the risk of fraud and hamper the related incentives. In addition, International standards on fraud and corruption will be included in the external financial auditor TORs.						
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Bank	In Progress	Preparation	<input type="checkbox"/>	21-Jan-2012	
Project Risks						
Design	Rating	Substantial				
<p>Description:</p> <p>TOGO: Current Risk is Rating S. The project proposes to create competition on international connectivity in Togo that could be resisted by Togo Telecom to protect their investment in WACS cable. The cable was financed by Togo Telecom and enjoyed by them as a monopoly. The creation of the carrier hotel could also be resisted by Togo Telecom as it creates an alternative for international access which will erode the monopoly rents enjoyed by Togo Telecom for many years. The project includes significant reforms for the sector that are likely to be resisted by Togo Telecom which has a vested interest in the status quo.</p> <p>The sector strategy 2011-2015 shows a clear commitment by the Government to create enabling conditions for private sector investments.</p>	Risk Management:					
	TOGO: PPA will provide extensive support for PPP negotiations, which are expected to be well advanced before effectiveness. In addition reforms are included as triggers in budget support operation. Complementary TA is ongoing to support the government with the reforms. Project negotiations will include clarification on how proceeds from participants in PPP will be used.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	In Progress	Preparation	<input type="checkbox"/>	15-Nov-2014	
	Risk Management:					
MAURITANIA: (a) PPA resources are used to finance extensive legal, economic and regulatory technical assistance for GoM to implement in close interaction with the private sector the preferred option singled out with all stakeholders and confirmed by GoM at appraisal. It is expected that the transactional process will be well advanced before Board. (b) PPA resources are used to finance technical assistance to ARE on key regulatory						

<p>MAURITANIA: Current Risk Rating is S. Mauritania has set up a PPP with the 3 mobile operators to finance and operate according to open access principles a landing station of the ACE submarine cable to have direct access to international connectivity. These PPP negotiations were difficult, and hence the same may be expected for the PPP negotiations for the missing links of the national backbone that are deployed on economically less interesting paths.</p> <p>The Mauritanian fiber optic backbone will comprise of infrastructure built by the incumbent Mauritel, infrastructure by private companies such as mining or utilities making available excess capacity to operators as well as missing links set up and operated under a PPP. There is a risk of not having a fully redundant national network if appropriate open access and interconnection regulation is not enforced by the regulatory authority ARE.</p> <p>While GoM has confirmed its commitment to counterpart funding for the PIU and for the environmental and social safeguards that cannot be financed by the project, some delays in availability of funds may be experienced.</p>	<p>tools (definition and implementation of fiber optic interconnection and sharing regulation tools; assessing technical, financial and operational conditions to access fiber made available by third parties) required by the new electronic communications law expected to be approved in Council of Ministers by End of April 2013.</p> <p>(c) The Ministry of Finance will be responsible for including the counterpart funding in the Finance Laws and for channeling the subventions to the PIU according to a specific schedule in order to mitigate risks of untimely availability of counterpart funding.</p>				
<p>Resp:</p>	<p>Status:</p>	<p>Stage:</p>	<p>Recurrent:</p>	<p>Due Date:</p>	<p>Frequency:</p>
<p>Client</p>	<p>In Progress</p>	<p>Preparation</p>	<p><input type="checkbox"/></p>	<p>30-Sep-2013</p>	

Social and Environmental	Rating	Substantial														
<p>Description:</p> <p>TOGO: Current Risk Rating is S. The exact path of the carrier hotel and links is not known yet. Negative environmental and social impacts of the project could be the soil and water pollution; loss of vegetation; generation of wastes from works, disturbance/loss of socio-economic activities and livelihoods located on the; disturbance of traffic; noise; dust; risks of land acquisitions, possible destruction of crops. The potential environmental and social impacts are likely to be small-scale and site-specific and thus easily remediable and reversible.</p> <p>MAURITANIA: : Current Risk Rating is S. The exact path of the fiber and the location of the associated technical sites are not yet known: there is a risk of adverse social and environmental impact of the project. The Line Ministry and the PIU have limited capacity for safeguards. Given that a lot more will be required for ensuring compliance from safeguards instrument preparation and reviews to implementation, there will be the need for capacity building. The Project will involve PPP schemes: there is a risk that responsibilities for social and environmental safeguards are not precisely defined.</p>	Risk Management:															
	<p>TOGO: The exact location of the neutral carrier hotels / national and regional IXP (“virtual landing”) is not yet available. Environmental and Social Management Frameworks (ESMF) and, Resettlement Policy Frameworks (RPFs) have been prepared and consulted upon for each country prior to Project appraisal. These documents have been reviewed and cleared by the World Bank and publicly disclosed in the country as well as in the Bank InfoShop. Once the final paths / sites are chosen and the specific civil works identified, an Environmental and Social Assessment including an ESMP, and a RAP will also be prepared.</p> <p>The PIU will be strengthened by hiring an environmental and social safeguards consultant (part time) who will work closely with Agence Nationale de la Gestion Environnementale (ANGE). During and throughout the project supervision, the World Bank task team will assess the appropriate implementation of the environmental and social mitigation measures and subsequently recommend additional strengthening measures as needed.</p>															
	<table border="1"> <thead> <tr> <th>Resp:</th> <th>Status:</th> <th>Stage:</th> <th>Recurrent:</th> <th>Due Date:</th> <th>Frequency:</th> </tr> </thead> <tbody> <tr> <td>Client</td> <td>In Progress</td> <td>Preparation</td> <td><input type="checkbox"/></td> <td>15-Mar-2015</td> <td></td> </tr> </tbody> </table>	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Client	In Progress	Preparation	<input type="checkbox"/>	15-Mar-2015		Risk Management:		
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:											
Client	In Progress	Preparation	<input type="checkbox"/>	15-Mar-2015												
<p>MAURITANIA: (a) As neither the exact path alongside existing roads nor the exact location of the neutral carrier hotels / national and regional IXPs have been defined yet, Environmental and Social Management Frameworks (ESMF) and, where applicable, Resettlement Policy Frameworks (RPFs) will be prepared and consulted upon for each country prior to Project appraisal. These documents were reviewed and cleared by the World Bank and made public in the country as well as in the Bank InfoShop. Once the final paths and sites are chosen and the specific civil works identified, an Environmental and Social Assessment including an ESMP, and a RAP will be appropriate will also be prepared. On Going.</p>																

	<p>(b) A technical expert in the PIU financed by the project will be in charge of M&E, including environmental and social safeguards: he will coordinate the implementation, the monitoring (control and audit) of social and environmental aspects and be an interface between the project, local authorities and other stakeholders. Arrangements for environmental and social safeguards supervision will be defined and agreed upon with GoM as well as funding requirements prior to Project Appraisal. Relevant provisions of the safeguard documents will be included in the PIM. Bank will fund targeted capacity building activities as part of the program throughout the project implementation. Input from Bank's environment and social specialists will also be provided under implementation support to support the PIU and the Line Ministry in charge of Environment in monitoring effective implementation of safeguards. Due on 4/9/2013</p> <p>(c) Appropriate technical clauses will be prepared and included in the biddings/binding documents for the PPP when necessary, to ensure the execution of agreed environmental and social safeguards measures and implementation of the recommendations in the instruments. Due on 5/30/2013</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	In Progress	Both	<input type="checkbox"/>		

Program and Donor	Rating	Moderate															
<p>Description:</p> <p>TOGO: Current Risk Rating is L. PDO achievement is not dependent on other projects and activities. There is a possible complementary intervention by the African development Bank. The scope is yet to be finalized.</p> <p>MAURITANIA: Current Risk Rating is M. The Bank and the EIB will jointly co-finance the 4 fiber optic missing links (Link 1: 531km Nouakchott-Atar-Choum ; Link 2: 723km Rosso-Boghe, Kaedi-Selibaby-Kiffa ; Link 3: 280km Aioun-Nema ; Link 4 – 43km Selibaby-Mali border) as well as the neutral carrier hotel. For joint co-financing, donors contribute towards financing the same individual contract/expenditure/invoice: there is a need for complete harmonization among donors with regard to procurement and attendant anti-corruption policies as well as for safeguard policies. Project is partly dependent on successful interconnection with Mali.</p>	<p>Risk Management:</p> <p>MAURITANIA:</p> <p>(a) There have been experiences of joint co-financing between the Bank and the EIB recently. For this project, the Bank and the EIB are discussing a Memorandum of Understanding (“MoU”) to cooperate and coordinate their respective arrangements in relation to procurement of goods and works and on safeguard matters. Due Date is 05/30/2013</p> <p>(b) The WARCIP2 PCN dealt with Mali, Mauritania and Togo. However, due to the coup, Government of Mali did not prepare a formal request and Mali had to be dropped from the APL2 and postponed to a subsequent APL. Reengagement TA P127398 foresees to follow up in FY13 on GoM initial interest for participation in WARCIP Mali regional connectivity project and receive official request so that project preparations activities can be started with Board approval rescheduled in FY14. Alternatively existing fibers from Mali could be accessed in Senegal from Selibaby still Via Goureye (Mauritania) - Goureye (Senegal), the Bank being currently engaged in Senegal with a TA. Due Date is 09/30/2013</p>																
<table border="1"> <tr> <td data-bbox="831 894 970 943">Resp:</td> <td data-bbox="970 894 1146 943">Status:</td> <td data-bbox="1146 894 1373 943">Stage:</td> <td data-bbox="1373 894 1533 943">Recurrent:</td> <td data-bbox="1533 894 1709 943">Due Date:</td> <td data-bbox="1709 894 1879 943">Frequency:</td> </tr> <tr> <td data-bbox="831 943 970 997">Both</td> <td data-bbox="970 943 1146 997">In Progress</td> <td data-bbox="1146 943 1373 997">Both</td> <td data-bbox="1373 943 1533 997"><input type="checkbox"/></td> <td data-bbox="1533 943 1709 997"></td> <td data-bbox="1709 943 1879 997"></td> </tr> </table>						Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Both	In Progress	Both	<input type="checkbox"/>		
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:												
Both	In Progress	Both	<input type="checkbox"/>														
Delivery Monitoring and Sustainability	Rating	Substantial															
<p>Description:</p> <p>TOGO: Current Risk Rating is S. There is no existing PIU within the sector Ministry. Key data collections and sharing, particularly from operators, may be difficult as the market is highly competitive. Setting up of a PPP with local operators and ISPs for the missing links shall ensure effective operation and maintenance of the infrastructure (missing links and carrier hotels).</p>	<p>Risk Management:</p> <p>TOGO:</p> <p>(a) A new PIU be established within the sector Ministry, institutional capacity building will be provided throughout the project Implementation phase.</p> <p>(b) Training and TA will be made available for monitoring and evaluation for the sector Ministry and for the PIU. The system will be designed in such a way as not to affect the operators’ competitiveness.</p> <p>(c) Use PPA to discuss with private sector and agree on a PPP structure that will make it attractive for private investment.</p>																

<p>MAURITANIA: Current Rating is S. Operators may be unwilling to disclose key financial and performance information. Capacity of PIU and of regulatory authority ARE for M&E needs to be strengthened. Furthermore the country has not a culture of monitoring and evaluation</p>	Resp: Client	Status: In Progress	Stage: Preparation	Recurrent: <input type="checkbox"/>	Due Date: 30-Sep-2013	Frequency:	
	Risk Management: MAURITANIA: A technical expert in the PIU financed by the project will be in charge of M&E. Training and TA will be made available for M&E for this technical expert as well as for its counterparts within the regulatory authority ARE. The system will be designed in such a way as not to affect the operators' competitiveness.						
	Resp: Both	Status: In Progress	Stage: Both	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:	
Other	Rating	Moderate					
<p>Description: MAURITANIA: : Current Risk Rating is M. Delays in passing the Communications Law. The Line ministry MDEFPTN and the regulatory authority ARE have commissioned (after ICB) a renowned law firm to assist in the drafting of a new Law that will revise the outdated legal and regulatory framework. There is a need to avoid delays in this new Law being enforced</p> <p>MAURITANIA: Current Risk Rating is M. Possible resistance of Mauritel. Incumbent operator Mauritel (subsidiary of Maroc Telecom) is not yet interconnected with its fiber optic Nouakchott – Nouadhibou to Maroc Telecom on the other side of the Northern border of Mauritania. Failure to put in service the strategic terrestrial backbone linking all Maroc Telecom's subsidiaries (Mauritania, Mali, Burkina Faso) may negatively impact Mauritel's interest for WARCIP Mauritania.</p>	Risk Management: MAURITANIA: (a) The Bank is supporting the Line ministry MDEFPTN and the regulatory authority ARE in FY13 under TA P132810. Approval of draft Law by GoM in Council of Minister is expected by Mid-April 2013. A legal covenant for the project with September 30, 2013 is proposed. In addition a TA for FY14 is considered. (b) Pursuant to the ACE landing station in Nouakchott being RFS, the availability of cross border connections to Morocco, to Mali and to Senegal via already existing fibers are key for disseminating the new international connectivity. The team will closely monitor the situation under its ongoing ICT policy dialogue with GoM. Due date: on going.						
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input type="checkbox"/>	Due Date: 31-Dec-2013	Frequency:	

Overall Risk

The overall risk rating for WARCIP APL 2 at implementation is Substantial. In addition to country risks, a number of project risks have been identified in both countries including:

- (i) interest and level of participation of the private sector in financing the proposed infrastructure under the connectivity component,
- (ii) possible delays in implementation of reform,
- (iii) possible resistance from the incumbents especially in the case of Togo as well as

(iv) overall weak capacity to implement the projects. Detailed description of risks and mitigation measures is included in the ORAF as well as in the country technical annexes.

**Annex 2: Progress of the WARCIP Program
Country: Africa**

WARCIP Program was approved by the Board on January 20, 2011. Phase 1A- dealing with Liberia and Sierra Leone- focused on improving connectivity of both countries to ACE submarine cable. The projects are advancing well, reaching over 85% disbursement rate. WARCIP 1-B was approved on June 21, 2011. This phase covered Guinea, The Gambia and Burkina Faso. Countries have reached effectiveness and disbursement rates are also quite advanced for Guinea and Gambia (over 80%) and for Burkina – non ACE related- (over 10%). Countries joining earlier phases of WARCIP made good progress in setting PPP framework for the connectivity component. Details are provided in the table below. ACE cable already landed in Liberia, Sierra Leone, Guinea and The Gambia. Commercial operation is now scheduled for end of 2012.

Country	PPP condition	Status
Liberia	Setting up an SPV for financing and managing the landing station for ACE	SPV established- Cable consortium for Liberia (CCL) established as a condition of effectiveness. Shareholder agreement adopted. CCL's shareholders include Libtelco, GoL, MTN Liberia and Cellcom Liberia. Other operators have an opportunity to join CCL
Sierra Leone	Setting up SPV for financing and managing landing station following divestiture of Government shares in SALCAB	Process ongoing. Legal PPP advisor working with client to finalize divestiture strategy. Operators expressed a strong interest to participate in divestiture
The Gambia	Setting up an SPV for financing and managing the landing station for ACE	Cable consortium for Gambia is established, shareholder agreement adopted in September 2011. This consortium includes GAMTEL, Government of The Gambia, All mobile operators as well as Association for Internet Service Providers
Guinea	Setting up an SPV for financing and managing the landing station for ACE	GUILAB was created since February 2011. Shareholder agreement adopted. Government retains only 20% of shares for its proper use
Burkina Faso	PPP framework for virtual landing station and for connectivity links	Studies to prepare PPP framework were launched.
Benin	Setting up an SPV for financing and managing the ACE landing station	Creation of the SPV is a condition of effectiveness. SPV was created on December 04, 2012.