Pacific Regional Connectivity Program (P113184)

EAST ASIA AND PACIFIC | Tonga | Transport & ICT Global Practice | IBRD/IDA | Adaptable Program Loan | FY 2012 | Seq No: 10 | ARCHIVED on 30-Jun-2017 | ISR29024 |

Implementing Agencies: Tonga Cable Ltd, Ministry of Information and Communications, Asian Development Bank, Kingdom of Tonga

Key Dates

Key Project Dates

Bank Approval Date: 30-Aug-2011
Effectiveness Date: 02-Nov-2011
Planned Mid Term Review Date: 24-Nov-2014
Actual Mid-Term Review Date: 09-Feb-2015
Original Closing Date: 23-Aug-2016
Revised Closing Date: 23-Jul-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The objective of the Pacific Regional Connectivity Program is to reduce the cost and increase the availability of international bandwidth for participating countries, and thereby facilitate the development of a wide range of ICT applications to support social and economic development in the Pacific region. Phase 1. Tonga-Fiji Connectivity Project: The objective of the proposed Project is to improve the enabling environment for telecommunications and ICT in Tonga, including greater competition and increased access to infrastructure and services by reducing the costs of international connectivity and strengthening the telecommunications regulatory framework. Access to the capacity on this new infrastructure will be available on an open-access basis. Expected sector-specific outcomes are: (a) increased international connectivity; (b) improved enabling environment; and (c) increased access to ICT services.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name
Component 1. Submarine cable system:(Cost $31.95 M)
Component 2. Enabling environment: technical assistance for the Ministry of Information & Communications:(Cost $1.25 M)
Component 3. Project management and administration:(Cost $0.80 M)

Overall Ratings

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

|               | ● Moderate | ● Moderate |

**Implementation Status and Key Decisions**

The Project is progressing satisfactorily with the submarine cable system becoming commercially operational in August 2013 and essential regulatory support contributing to increased demand for broadband (particularly in the mobile broadband sub-sector). A two-year extension of the Project closing date has been approved in order to implement the Vava’u and Ha’apai connectivity extension and additional regulatory support. This cable extension has been contracted and the supply and installation is ongoing. MEIDECC is working on regulatory revisions. The Communications Commission has been legally established, though not yet operational; it will assume a full regulatory role when staffing and budgeting issues have been finalized; TA has been requested.
Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
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</tbody>
</table>

Results

Project Development Objective Indicators

- International Internet Bandwidth (Mbps) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>37.00</td>
<td>920.00</td>
<td>920.00</td>
<td>850.00</td>
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<tr>
<td>Date</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

- Increased Capacity of MEIDECC to deliver on its mandates (Number, Custom)
### Increased Level of Competition in the ICT sector (number of service providers) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
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</tbody>
</table>

### Access to Internet Services (per 100 people) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Access to telephone services, mobile phone (per 100 people) (Number, Custom)

<table>
<thead>
<tr>
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<th>Baseline</th>
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<th>End Target</th>
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<tr>
<td>59.00</td>
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<td>30-Sep-2016</td>
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<td>23-Jul-2018</td>
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</tbody>
</table>

#### Overall Comments

Intermediate Results Indicators
### Component 1: Length of fiber optic network built (km) (Kilometers, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>827.00</td>
<td>827.00</td>
<td>1,217.00</td>
</tr>
<tr>
<td>Date</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 2: TCL restructuring completed (Yes/No, Custom)

<table>
<thead>
<tr>
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<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Date</td>
<td>11-Jul-2016</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 2: Implementation of open access and wholesale price regulation (Yes/No, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Date</td>
<td>11-Jul-2016</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 1: Direct project beneficiaries (number of people) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,000.00</td>
<td>40,000.00</td>
<td>40,000.00</td>
<td>55,000.00</td>
</tr>
<tr>
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<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>
### Component 2: Price of Wholesale International Capacity Link (US$/Mbps/Month) for 1 STM-1 (155 Mbps) capacity (Amount(USD), Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>495.00</td>
<td>395.00</td>
<td>395.00</td>
<td>150.00</td>
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<tr>
<td>Date</td>
<td>05-May-2016</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 2: Volume of International Traffic (Mbps) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>30.00</td>
<td>700.00</td>
<td>700.00</td>
<td>750.00</td>
</tr>
<tr>
<td>Date</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 2: Average per minute cost of international call (in US$) (Amount(USD), Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.35</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
</tr>
<tr>
<td>Date</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

### Component 2: Retail price of Internet Services (US$/GB/Month) (Amount(USD), Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>75.00</td>
<td>6.29</td>
<td>6.29</td>
<td>5.00</td>
</tr>
<tr>
<td>Date</td>
<td>29-Jul-2011</td>
<td>30-Sep-2016</td>
<td>30-Sep-2016</td>
<td>23-Jul-2018</td>
</tr>
</tbody>
</table>

Overall Comments
Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P113184</td>
<td>IDA-H7310</td>
<td>Effective</td>
<td>USD</td>
<td>17.20</td>
<td>17.20</td>
<td>0.00</td>
<td>13.82</td>
<td>2.22</td>
<td>80%</td>
</tr>
<tr>
<td>P113184</td>
<td>TF-99368</td>
<td>Effective</td>
<td>USD</td>
<td>0.50</td>
<td>0.50</td>
<td>0.00</td>
<td>0.50</td>
<td>0.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
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</thead>
<tbody>
<tr>
<td>P113184</td>
<td>TF-99368</td>
<td>Effective</td>
<td>09-Sep-2011</td>
<td>09-Sep-2011</td>
<td>09-Sep-2011</td>
<td>23-Aug-2016</td>
<td>23-Jul-2018</td>
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</tbody>
</table>

Cumulative Disbursements

Restructuring History

Level 2 Approved on 16-Oct-2013 ,Level 2 Approved on 29-Jul-2016
Related Project(s)

P128906-PW: Connectivity Project Phase X of Pacific Regional Connectivity Project