



ICT Sector Support in Somalia Phase II (P152358)

AFRICA | Somalia | Transport & Digital Development Global Practice |
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 5 | ARCHIVED on 29-Apr-2018 | ISR32184 |

Implementing Agencies: Ministry of Posts, Telecoms and Technology, Ministry of Finance, Ministry of Posts, Telecommunications and Technology, Federal Government of Somalia

Key Dates

Key Project Dates

Bank Approval Date:08-Jun-2015

Effectiveness Date:15-Jun-2015

Planned Mid Term Review Date:15-Mar-2017

Actual Mid-Term Review Date:24-Feb-2017

Original Closing Date:31-Mar-2018

Revised Closing Date:30-Sep-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

<p>The overarching Project Development Objective (PDO) for this series of projects is “to support the ICT Sector in Somalia by contributing to establishing an enabling environment and by encouraging efficiency and equity in access to connectivity”.</p>

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

No

Components

Name

1. Enabling environment:(Cost \$4.50 M)

2. Efficiency and equity in access to connectivity:(Cost \$7.80 M)

3. Support the Project Implementation Unit:(Cost \$1.70 M)

Overall Ratings

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



Implementation Status and Key Decisions

As noted in earlier ISRs, the ICT sector in Somalia still faces challenges in transitioning from an unregulated market to a well-regulated one, with legal and regulatory frameworks anchored in global and regional best practice. A strong domestic ICT industry has emerged in a regulatory vacuum, making it all the more challenging to introduce regulation ex-post, with vested interests keen to defend the status quo.

The passage of the Communications Act, signed by the President in October 2017, thus represented a major milestone and the culmination of several years of targeted technical assistance (TA) provided through the Bank, as well as concerted efforts by key domestic stakeholders. The law set a 90-day deadline for establishing the new regulator - the National Communications Agency (NCA). Supporting the establishment of an effective and independent NCA has thus become a major project priority, which will also facilitate the implementation of the new legal framework introduced. Related capacity building and regulatory work will be at the forefront of the project for the remaining grant period (executed under sub-component 1.1 – ongoing ICT regulatory support). A new grant amendment made an additional 3m available to inter alia cover the start-up costs and equipment required by the NCA. With the assistance of a strong consulting firm and local Implementation Task Team, the project is now making headway on crafting a new organizational structure, budget and draft regulations. A DG has been appointed. However, as noted above, the remaining eight Board Members still need to be appointed.

The project has also successfully delivered TA and training on spectrum management and numbering, under sub-component 1.1. Moreover, TA provided through the project has helped to facilitate the repatriation of the national country-code top-level domain (.so), following lengthy negotiations with the former Minister, who until recently retained control over the domain. A hand-over meeting was held at the Bank offices in Nairobi in March 2018.

Marked progress has been made on both mobile money projects since the last ISR (implemented under sub-component 1.2 – supporting implementation of an effective domestic framework for mobile money). Some US\$2m in additional grant financing has been secured for an extension of the operational pilot and previous research commissioned, which aims to support the ongoing drought response and Somalia's path to recovery and resilience. The Central Bank of Somalia (CBS), the main beneficiary of the Bank-executed operational program, is now ready to embark on implementation. A planned mission on 9-10 May will facilitate a series of technical stakeholder meetings, targeting MNOs.

A thematic extension of the first mobile money household survey has been commissioned, with data collection planned for April-May 2018, and final output delivered by the end of the fiscal year (FY). New research will focus on usage during the drought and by vulnerable groups, such as nomads. . New research on the Digital ID has also been commissioned that will explore the prospect of leveraging a Public Private Partnership (PPP) for the purpose of establishing a national Digital ID. This research piece is also on track to be delivered by the end of the FY.

Good progress has been made on component 2: connectivity. The Government backbone loop was completed in July 2017, with some 26 Ministries and the CBS now connected. The task team continues to explore options for increasing network capacity, including by reducing the period of the IRU, as current bandwidth has proved insufficient.

Since October 2017, a further eleven communication rooms have been installed. These rooms await commissioning as well as training, both of which are due to be completed in April 2018. The commissioning of five additional rooms for Hirshabelle will bring the total to 37.

There have, however, been some setbacks in connecting universities to the SomaliREN. An international submarine link (155 Mbit/s) was due to go live at the end of February 2018, connecting an initial cluster of universities in Mogadishu. Maintenance costs and provision of international internet bandwidth via the EASSy submarine cable) has been prepaid for an initial two-year period, by the EU Africa Connect program. However, a commercial dispute between SEACOM and EASSy has led to delays in launching the connectivity. The initiative will ultimately connect some 15 universities nationwide.

Some earlier project management issues have been resolved. The PIU has identified new premises, following their transfer from Villa Somalia. The PIU has successfully recruited a Procurement Specialist and an ICT Specialist. The Puntland Project Coordination Unit will complete its work in June 2018. An annual work plan and budget for the PIU have been finalized.

The task team has started work on a proposed 3rd Phase for the Somalia ICT Support Project, and are currently exploring options for crafting joint programs with Finance, Competitiveness and Innovation Global Practice (FCI) covering areas with there is substantial overlap with other GP programs (e.g. on issues such as Digital ID and Mobile Money).

Risks

Systematic Operations Risk-rating Tool



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

Results

Project Development Objective Indicators

► Establishing an ICT licensing and taxation framework (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	31-Dec-2014	16-Oct-2017	17-Apr-2018	31-Dec-2018

► Increased contribution of ICT Sector to public treasury (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3,200,000.00	14,000,000.00	18,550,000.00	12,000,000.00
Date	31-Dec-2014	16-Oct-2017	17-Apr-2018	31-Dec-2018

Comments

The indicator measures cumulative contribution, rather than simply the annual level of contribution. Based on recorded end-of-month figures for taxes on telecoms goods and services, noted as part of the FGS monthly revenue file. Updated figured cover Oct-Dec 2017 (Q4) and Jan-Mar 2018 (Q1).



► International internet bandwidth per inhabitant (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	2,845.00	2,845.00	850.00
Date	31-Dec-2014	16-Oct-2017	16-Oct-2017	31-Dec-2018

Overall Comments

No new data available for international bandwidth.

Intermediate Results Indicators

► Establishment of independent federal ICT regulatory agency (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	Y	Y
Date	31-Dec-2014	16-Oct-2017	17-Apr-2018	31-Dec-2018

Comments

Following the passage of the Communication Act, in October 2017, the NCA now legally exists, according to regulatory experts. The task team is currently supporting the NCA through tailored technical assistance that support institution- and capacity building. However, for the NCA to become effective Board Members need to be appointed - at a minimum, enough appointment for there to be quorum for decision-making.

► Mobile licenses issued (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	4.00
Date	31-Dec-2014	--	17-Apr-2018	31-Dec-2018

Comments

Although there are at least seven active mobile operators in the country, and many of them claim to have licenses from previous or local regimes, none yet has a license issued by the new NCA or current government. NCA is finalizing a schedule of license fees for public consultation.



▶ Number of ISPs authorized (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	31-Dec-2014	--	17-Apr-2018	31-Dec-2018

Comments

This will also be a key task of the NCA, to formalize the license or authorisations issued to ISPs.

▶ International Internet Bandwidth (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 Gbit/s	--	35 Gbit/s	10 Gbit/s
Date	31-Dec-2014	--	16-Oct-2017	29-Dec-2018

Comments

The supply of international international bandwidth is likely to have increased following the arrival of the Gulf to Africa (G2A) international cable from Oman to Boassasso, opened in February 2018, but the total bandwidth available has not yet been confirmed.



► Number of communications rooms established by project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	17.00	15.00
Date	31-Dec-2014	16-Oct-2017	17-Apr-2018	31-Dec-2018

Comments

11 new communication rooms have been installed since October 2017.

- **Federal level: All five room have been installed and await commissioning: (1) the Central Bank of Somalia, (2) Upper house, (3) Federal Parliament, (4) Office of the Prime Minister, and (5) the Ministry of Foreign Affairs.**
- **Galmudug: Three rooms have now been rehabilitated, with installation completed in January 2018: (1) the Office of The President, (2) the Office of the State Parliament and (3) The Ministry of Posts and Telecommunications.**
- **Puntland: All five rooms have been installed and await commissioning.**
- **Somaliland: Four out of five rooms have been installed and await commissioning: (1) the Ministry of Post and Telecoms, (2) Ministry of Interior Affairs, (3) Ministry of Commerce, and (4) Ministry of Foreign Affairs.**

A further three rooms in Jubbaland and three in South West were due to be completed this month, with training, commissioning and handover rolled out across all regions. The number of communications rooms is thus expect to increase.

► Universities provided with improved bandwidth (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	15.00
Date	31-Dec-2014	16-Oct-2017	17-Apr-2018	31-Dec-2018

Comments

The SomaliREN link was due to go live at the end of February 2018, but there have been issues with the provider. Four Universities, all members of the Mogadishu Zone, have paid connection fees and are already connected to the data center constructed. They are thus ready to be connected when the link does go live.



▶ SIM card registration (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100,000.00
Date	31-Dec-2014	--	17-Apr-2018	31-Dec-2018

Comments

The commissioned thematic extension of the mobile money research, which features another household survey, will collect baseline data on this. This will also be a key undertaking of the NCA as SIM card registration is now mandated by law.

▶ Number of people trained via the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	241.00	80.00
Date	31-Dec-2014	--	17-Apr-2018	31-Dec-2018

Comments

80 people have been trained via the project, since mid-October 2017.

- **A further 50 people have been trained through the SomaliREN, both via campus workshops and online courses on network design, implementation and maintenance, between Oct-Dec 2017.**
- **A workshop on national numbering was hosted by the Bank on 8 November 2017, which featured presentations by the ITU and technical experts, which was attended by 15+ people.**
- **On-the-ground training in spectrum measurement has also been held by Wrap, targeting 15 people.**

A compressive training package is also envisioned in support of the new Regulator, targeting its new staff and Board. Training to support use and maintenance of the new communication rooms is also being rolled out this month. The number of people trained is thus expect to increase.

Overall Comments

Recent training sessions completed include those on numbering (November 2017) and on spectrum management (October 2017 and January 2018).

Data on Financial Performance

Disbursements (by loan)

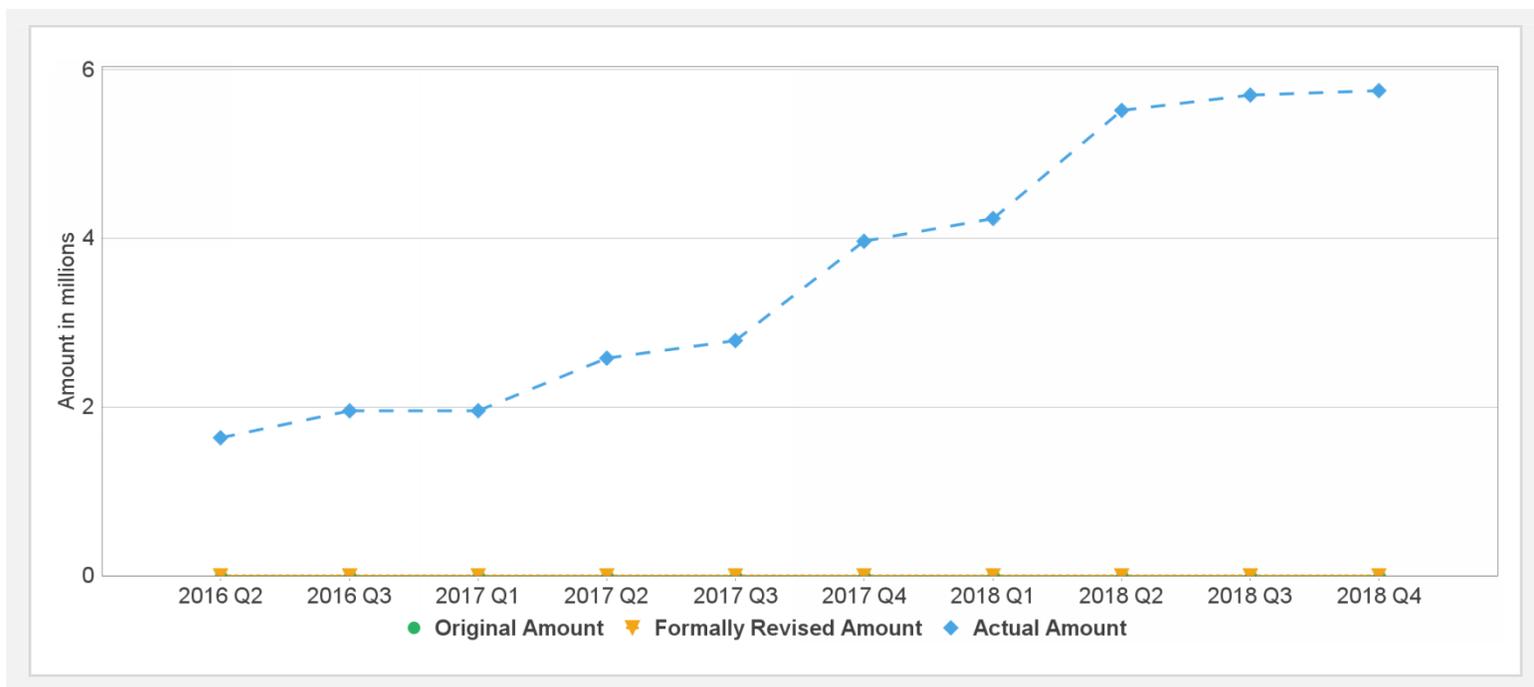


Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P152358	TF-A0175	Effective	USD	7.00	7.00	0.00	5.75	1.25	82%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152358	TF-A0175	Effective	15-Jun-2015	15-Jun-2015	15-Jun-2015	31-Mar-2018	30-Sep-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 19-Oct-2016 ,Level 2 Approved on 13-Jun-2017

Related Project(s)

P164441-Additional Financing: ICT Sector Support in Somalia (Phase 2) ,P164720-ICT Sector Support Program, AF