I. Project Context

Country Context

The original credit (US$114.4 million) allocated to Kenya in the Regional Communications Infrastructure Program (RCIP) was approved in March 2007 and became effective in August 21,
2007. The original KTCIP had two overarching project development objectives: (i) to contribute to lower prices for international broadband capacity and extend the geographic reach of broadband networks (the “connectivity development objective”); and (ii) to contribute to improved Government efficiency and transparency through eGovernment applications (the “transparency development objective”).

While implementation of the Kenya component of RCIP 1 (Kenya Transparency and Communications Infrastructure Project) was slow right after effectiveness, partly due to post-election violence and to project implementation capacity, project disbursements have clearly accelerated over the last couple of years, and in particular following a restructuring that allowed for increased technical assistance to implement the project. As of December 2011 commitment levels were at 63% of the total project amount, and are expected to rise to 70% over the next 2-3 months and disbursements were at 40%. The client commitment and leadership in the ICT sector has increased throughout the project, as demonstrated by the credibility that MoIC and the KICTB have established amongst other institutions in Kenya and selected new initiatives which have been launched, like the open data initiative.

**Sectoral and institutional Context**

The project indicators are progressing well. Key achievements over the last few months/years include: The project has connected government as well as up to 56 university institutions (through KENET) to high speed internet, with the international connectivity through submarine fiber to be available for the next 20 years, and has also supporting establishment of a Network Operating Center (NOC). It has successfully completed the Computers for the Community program (branded Wezesha) an initiative to support up to 17,000 university students to buy their own laptops. It has also launched the Digital Villages Program, having attributed so far the first 37 Digital Villages/Pasha centers loans. It has also launched the Digital Villages Program, having attributed so far the first 37 Digital Villages/Pasha centers loans. It has supported development of a number of content applications and organized two rounds of grants for content development for the government information portal (also supported through the project) and the private sector (a program branded Taanda). It has completed digitization of Company Registry (~25million records scanned) and of the High Court Registry (~ 30million records scanned). The digitization of High Court registries has already helped continue a high profile corruption case – allowing the court case to continue even though some files had gone missing, as these had already been captured through the scanning exercise. Further to a data collection exercise about the use of IT by government and development of a conceptual framework for a shared services approach to delivery of eGovernment services (an initiative destined to increase efficiencies, avoid duplication and ultimately save costs), has all process have been remapped completely identifying common processes and re-engineering needed, and this will be the basis to be used during shared services implementation. Finally, a number of skills-related initiatives in support of the Business Process Outsourcing (BPO) and IT-enabled services (ITES) industry introduced during the February 2010 restructuring are also underway: the anchor institution for a Center of Excellence for BPO has been selected, and the contract for a Software Developer Certification scheme is under implementation.

The Government of Kenya has recently promulgated a new constitution, in which 47 counties have been created. Together with recent elections, this presents the country with a unique prospect to improve governance, transparency and citizen inclusion. Partnering with the World Bank at this critical juncture enables the institution to respond to this opportunity in a holistic, timely and thoughtful way.

The original project continues to achieve economic benefits to the country in that it has lowered the
rate of telecommunications, especially international connections and bandwidth. This has resulted in lower costs to Government of Kenya, the largest consumer of data services. The first Additional Financing funded the IFMIS, which allows the government to better manage its resource allocation, is a means of making GoK more efficient in its internal operations, resulting in less cost to conduct government business. With the second financing, which will improve the intake of county revenue (by preventing leakages), the GoK stands to collect up to 15% (or more) revenue which is currently not being properly accounted for; this will provide the GoK with additional funds and spur both government spending and investment.

II. Proposed Development Objectives
A. Current Project Development Objectives – Parent
The RCIP Program, the CIP 1,2,3 Projects and following CIP Projects have two overarching development objectives (i) to contribute to lower prices for international capacity and extend the geographic reach of broadband networks (the "connectivity development objective") and (ii) contribute to improved Government efficiency and transparency through egovernment applications (the "transparency development objective").

B. Proposed Project Development Objectives – Additional Financing (AF)

III. Project Description
Component Name
Component 1 Nairobi City Council Activities
Comments (optional)
Based on the ICT Transformation Roadmap, the NCC has chosen two applications: the Integrated County Management tool for revenue collection and the Unified Communications System.

Component Name
Component 2 County Activities
Comments (optional)
Counties will first be supported to develop their own ICT transformation Roadmaps, using the NCC as a guide. From there, two counties will be selected to implement 3 applications each.

Component Name
Component 3 Project Management and Facilitation
Comments (optional)
To help manage the project, four project managers will be hired plus one transformation agent.

IV. Financing (in USD Million)

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<th>Amount</th>
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<tr>
<td>Total Bank Financing</td>
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<td>Total</td>
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V. Implementation

Implementation Arrangements. The Kenya ICT Board has been the original implementing agency for the project responsible for overall coordination and for ensuring fiduciary compliance, including procurement and financial management. The Kenya ICT Board has now been merged with E-Government and Government Information Technology Services (GITS) to form the Information Communication and Technology Authority (ICT Authority, also called ICTA). All activities from the original financing and AF1, are currently already either being led or taken forward with the key participation of the of the new ICT Authority. ICTA board will act as the Project Governance Oversight Committee for the project (PGOC) and will continue to work with other partners in the implementation of specific components in the project. The AF1 mostly kept the same implementation arrangements of the original financing, with one adaptation: given the strategic importance of IFMIS, and the fact that its implementation actually went much beyond the KTCIP AF project scope, the IFMIS steering committee would guide implementation of that component. A representative of this Committee sits in the PGOC.

With the introduction of the additional activities of AF2, the initial implementation will be kept, again with one adaptation: the existing Technical Working Group from the County Executive Forum for ICT will act as a Steering Committee for the counties related activities. A member of this group will seat at PGOC. ICTA will continue to manage the procurement and financial management functions for the whole project, including the AF2 activities. Preparation of procurement documents (i.e., Bidding and RFPs), for example, will be the responsibility of ICTA but with technical input from the counties.

Capacity at the county level though is extremely limited. The project would be hiring project officers to be situated at the counties and support implementation. In addition a trusted transformation advisor will be hired to support implementation and provide specialized technical advice in implementation of the proposed ICT systems, which can be complex.

The choice of these arrangements has been confirmed Technical Working Group from the County Executive Forum for ICT, as well as with the Nairobi City Council.

VI. Safeguard Policies (including public consultation)

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Comments (optional)

none

VII. Contact point

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