Implementation Status & Results

Tonga
Pacific Regional Connectivity Program (P113184)

Operation Name: Pacific Regional Connectivity Program (P113184)  
Project Stage: Implementation  
Seq.No: 4  
Status: ARCHIVED  
Archive Date: 10-Feb-2014

Country: Tonga  
Approval FY: 2012  
Region: EAST ASIA AND PACIFIC  
Lending Instrument: Adaptable Program Loan

Implementing Agency(ies):

Key Dates

Board Approval Date 30-Aug-2011  
Original Closing Date 23-Aug-2016  
Planned Mid Term Review Date 16-Jun-2014  
Last Archived ISR Date 24-Jun-2013

Effectiveness Date 02-Nov-2011  
Revised Closing Date 23-Aug-2016  
Actual Mid Term Review Date

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?  
☐ Yes  ☐ No

Component(s)

Component Name  
Component Cost
Component 1. Submarine cable system.  
32.20
Component 2. Enabling environment: technical assistance for the Ministry of Information & Communications  
1.00
Component 3. Project management and administration  
0.80

Overall Ratings

<table>
<thead>
<tr>
<th>Rating Area</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
Implementation Status Overview

The Project was declared effective on November 2, 2011. Overall implementation is progressing satisfactorily. The submarine cable system, financed under Component 1, has been fully installed. The cable landed in Tonga in June 2013, and became commercially operational in August 2013. Component 2, which focuses on strengthening the enabling environment for ICT, is also progressing satisfactorily with legal, regulatory and capacity building advisers having recently delivered drafts of the first phases of their work. Component 3, project management, is also progressing satisfactorily. A project manager continues providing effective support to the implementing entities and the official marketing campaign, which supported the promotion of Internet uptake, has concluded.

Locations

No Location data has been entered

Results

Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Internet bandwidth</td>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>37.00</td>
<td>29-Jul-2011</td>
<td>30-Aug-2016</td>
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<td></td>
<td></td>
<td></td>
<td>620.00</td>
<td>13-Dec-2013</td>
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<td></td>
<td></td>
<td></td>
<td>2000.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Increased capacity of MIC to deliver on its mandates</td>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
<td>29-Jul-2011</td>
<td>30-Aug-2016</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>3.00</td>
<td>13-Dec-2013</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>5.00</td>
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<tr>
<td>Increased level of competition in the ICT sector (number of service providers)</td>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
<td>13-Dec-2013</td>
<td>30-Aug-2016</td>
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<td></td>
<td></td>
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<td>6.00</td>
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<td>4.00</td>
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<tr>
<td>Access to Internet services (per 100 people)</td>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
<td>29-Jul-2011</td>
<td>30-Aug-2016</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>4.00</td>
<td>13-Dec-2013</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>25.00</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Access to telephone services, mobile phone (per 100 people)</td>
<td></td>
<td>Number</td>
<td>Value</td>
<td>Date</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>59.00</td>
<td>29-Jul-2010</td>
<td>30-Aug-2016</td>
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<td></td>
<td></td>
<td></td>
<td>70.00</td>
<td>13-Dec-2013</td>
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</table>
construction work on the Tonga-Fiji submarine cable completed and deployed. In addition, TCC has delivered 65 km of domestic fiber-optic network.

Component 1: Direct project beneficiaries (people 50 percent female)  
Indicator Name: Component 1: Direct project beneficiaries (people 50 percent female)  
Unit of Measure: Number  
Baseline Value: 1000.00  
Current Value: 4960.00  
End Target Value: 20000.00  
Date Baseline: 29-Jul-2011  
Date Current: 13-Dec-2013  
Date End Target: 30-Aug-2016  
Comments: 65% female; 35% male

Component 2: Price of wholesale international capacity link  
Indicator Name: Component 2: Price of wholesale international capacity link  
Unit of Measure: Amount(USD)  
Baseline Value: 3600.00  
Current Value: 500.00  
End Target Value: 600.00  
Date Baseline: 29-Jul-2011  
Date Current: 13-Dec-2013  
Date End Target: 30-Aug-2016  
Comments: There has been a significant reduction in wholesale price of international capacity since the cable was constructed and deployed.

Component 2: Volume of international traffic (Mbps)  
Indicator Name: Component 2: Volume of international traffic (Mbps)  
Unit of Measure: Number  
Baseline Value: 30.00  
Current Value: 285.00  
End Target Value: 400.00  
Date Baseline: 29-Jul-2011  
Date Current: 13-Dec-2013  
Date End Target: 30-Aug-2016  
Comments: There has been a significant increase in international traffic since the cable was constructed and deployed.

Component 2: Average per minute cost of international call  
Indicator Name: Component 2: Average per minute cost of international call  
Unit of Measure: Amount(USD)  
Baseline Value: 0.35  
Current Value: 0.13  
End Target Value: 0.25  
Date Baseline: 29-Jul-2011  
Date Current: 13-Dec-2013  
Date End Target: 30-Aug-2016  
Comments: Ongoing promotions by operators, and trend towards service bundling.

Component 2: Retail price of Internet services (per Mbps per month in $)  
Indicator Name: Component 2: Retail price of Internet services (per Mbps per month in $)  
Unit of Measure: Amount(USD)  
Baseline Value: 716.00  
Current Value: 300.00  
Date Baseline: 29-Jul-2011  
Date Current: 13-Dec-2013  
Date End Target: 30-Aug-2016  
Comments: This indicator is to be revised as the baseline reported needs to be corrected.
and the pricing market has changed due to evolving technology and corresponding changes in appropriate units of measurement.

### Data on Financial Performance (as of 18-Oct-2013)

#### Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
</table>

#### Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/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>
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<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>12.88</td>
<td>3.47</td>
<td>75.00</td>
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<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>0.13</td>
<td>0.37</td>
<td>25.00</td>
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</tbody>
</table>

### Disbursement Graph

![Disbursement Graph](image)

### Key Decisions Regarding Implementation
The Government is still considering options for the utilization of savings under Component 1. It was agreed that the Government would notify the task team of its decision by early February, 2014. The task team anticipates that a project restructuring will be required to allow for the financing of potential new activities through the savings under the Project.

**Restructuring History**
Level 2 CD Decision on 16-Oct-2013

**Related Projects**
P128906-PW: Connectivity Project Phase X of Pacific Reg Connectivity Project