



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: 6 | ARCHIVED on 08-Nov-2018 | ISR33943 |

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: 30-Sep-2019	Revised Closing Date: 30-Sep-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

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”.

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)	● Satisfactory	● Satisfactory
Overall Risk Rating	● High	● High

Implementation Status and Key Decisions

Earlier ISRs have noted the major challenges for the ICT sector in Somalia as it faces a transition from an unregulated market to a well-regulated one. Though many of these challenges still remain, the passage of the Communications Act, signed by the President in October 2017, as well as the establishment of the new regulator - The National Communications Authority (NCA) in June 2018 have brought the ICT sector closer to formal legal and regulatory frameworks anchored in global and regional best practices. Supporting the establishment of an independent, transparent, and accountable regulator has thus become a major priority. Related capacity building and regulatory work will remain to be at the forefront of the project for the remaining grant period (executed under sub-component 1.1 - ongoing ICT regulatory support). With the assistance of a strong consulting firm and local Implementation Task Team (ITT), the project is now making headway on crafting a new organizational structure, budget,

and draft regulations. All board members of the NCA have been appointed and the NCA is now operational, and has held four Board meetings up to end October 2018.

Good progress has been made on Component 2: Connectivity. The Government backbone network loop was completed in July 2017, with 26 Ministries and the CBS connected. A further eleven Communication Rooms have been installed and have been commissioned, and training for the rooms has been provided. The commissioning of five additional Communication Rooms in Hirshabelle will bring the total number of operational communications rooms to 37.

There has been a successful outcome also for support to the SomaliREN. An international submarine link (155 Mbit/s) was due to go live at the end of February 2018, but was eventually launched in June 2018. Seven universities in South Central Somalia have been connected. Maintenance costs and provision of international internet bandwidth via EASSy submarine cable has been prepaid for an initial two-year period by the EU Africa Connect program. The SomaliREN continues to grow and aims to expand to other regions of the country.

New research on Digital ID was published in May 2018 and explores the prospect of leveraging the private sector for the purpose of establishing an ID system in Somalia. The research forms the basis of the follow up programming with ID.

The task team has also completed recruiting a firm to support the hosting of the national country-code top-level domain (.so). This will now be located in Mogadishu, with external backup sites, rather than in Sydney, Australia. This fulfills an important target established in 2017 by the Somali Government for repatriation of the ccTLD.

Progress has been made on the mobile money project (implemented under sub-component 1.2 - supporting implementation of an effective domestic framework for mobile money). US\$2 million in additional grant financing has been secured for an extension of the operational pilot. Additional research, which builds on the thematic extension of the first household survey, is also commissioned. New research will focus on the usage of mobile money by vulnerable groups.

The PIU in Mogadishu is now fully staffed and the Puntland Project Coordination Unit has completed its work as of June 2018.

The task team has started work on a follow up program, and is crafting a joint program with the Finance, Competitiveness and Innovation (FCI) GP. The program will cover areas of overlap including Digital ID and mobile money. The new program is entitled SCALED-UP (Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift).

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	● High	● High
Environment and Social	● Moderate	● Low	● Low
Stakeholders	● High	● High	● High
Other	● High	● High	● High
Overall	● High	● High	● High

Results

PDO Indicators by Objectives / Outcomes

to support the ICT Sector in Somalia by contributing to establishing an enabling environment				
▶Establishing an ICT licensing and taxation framework (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	31-Dec-2014	25-Oct-2018	17-Apr-2018	31-Dec-2018
Comments:	The creation and operationalisation of the NCA is a major step towards achieving this outcome			
▶Increased contribution of ICT Sector to public treasury (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3,200,000.00	18,550,000.00	19,850,000.00	12,000,000.00
Date	31-Dec-2014	17-Apr-2018	31-Aug-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).			

to support the ICT Sector in Somalia by encouraging efficiency and equity in access to connectivity				
▶International internet bandwidth per inhabitant (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	2,845.00	3,496.00	850.00
Date	31-Dec-2014	16-Oct-2017	31-Dec-2017	31-Dec-2018
Comments:	Source: Telegeography. Calculated as the total used international internet bandwidth for the country, divided by the population and expressed as bits/s per person.			

Intermediate Results Indicators by Components

1. Enabling environment				
▶Establishment of independent federal ICT regulatory agency (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	31-Dec-2014	17-Apr-2018	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	0.00	4.00
Date	31-Dec-2014	17-Apr-2018	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	0.00	10.00
Date	31-Dec-2014	17-Apr-2018	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.			

2. Efficiency and equity in access to connectivity

► International Internet Bandwidth (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 Gbit/s	43 Gbit/s	35 Gbit/s	10 Gbit/s
Date	31-Dec-2014	31-Dec-2017	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	37.00	17.00	15.00
Date	31-Dec-2014	17-Apr-2018	17-Apr-2018	31-Dec-2018
Comments:	This indicator measures the number of Communications Rooms established in Mogadishu and the Federal Member States, including Hirshabelle. All have now been completed and procurement carried out both for equipment and bandwidth.			
► Universities provided with improved bandwidth (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	15.00



Date	31-Dec-2014	17-Apr-2018	17-Apr-2018	31-Dec-2018
Comments:	The SomaliREN link went live in June 2018 and current some 7 universities in the Benadir region are served.			
►SIM card registration (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100,000.00
Date	31-Dec-2014	17-Apr-2018	30-Sep-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.			

3. Support the Project Implementation Unit

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	241.00	280.00	80.00
Date	31-Dec-2014	17-Apr-2018	17-Apr-2018	31-Dec-2018
Comments:	<p>80 people have been trained via the project, since mid-October 2017.</p> <ul style="list-style-type: none"> • 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. • Training also provided by ITU and AFRALTI <p>A comprehensive 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 was also provided following official commissioning</p>			

Data on Financial Performance

Disbursements (by loan)

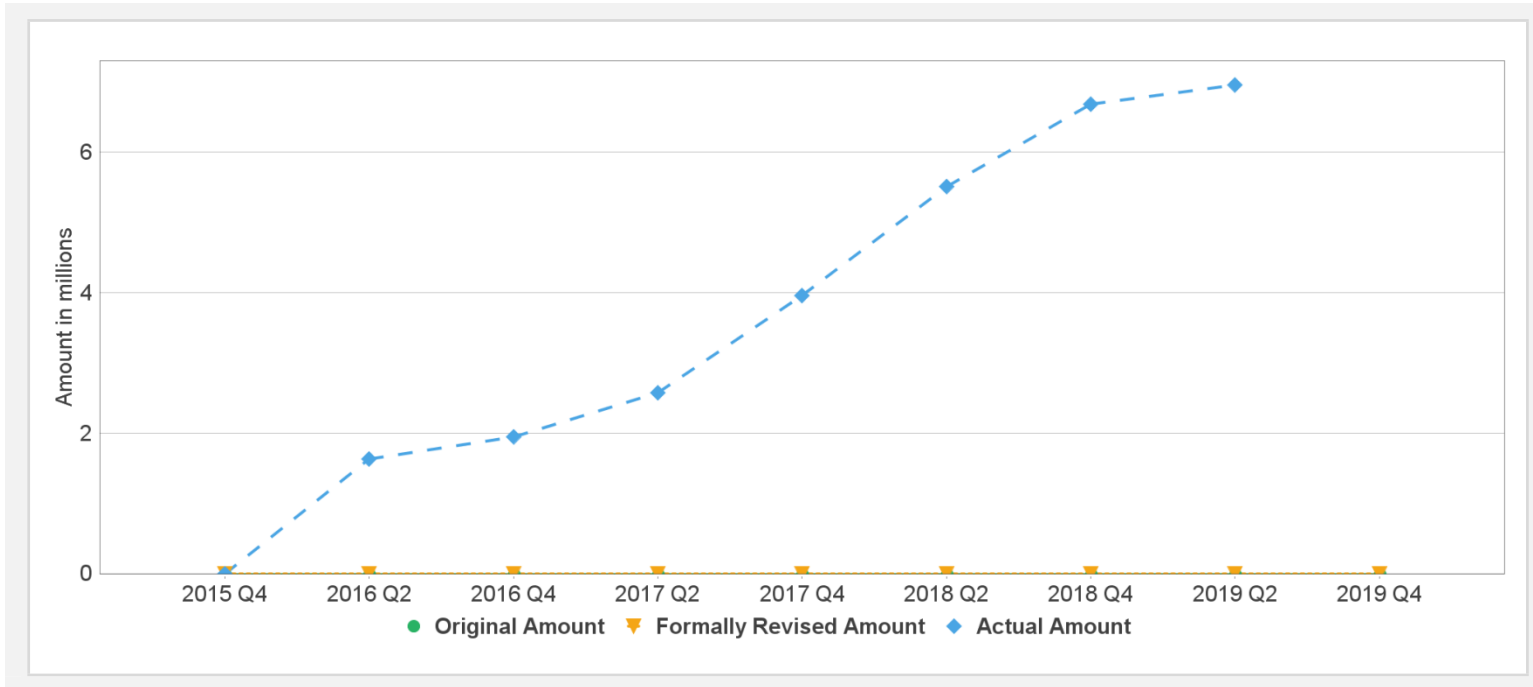
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152358	TF-A0175	Effective	USD	7.00	7.00	0.00	6.96	0.04	99%
P152358	TF-A7699	Effective	USD	2.50	2.50	0.00	0.00	2.50	0%

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
P152358	TF-A7699	Effective	13-Jun-2018	13-Jun-2018	13-Jun-2018	30-Sep-2019	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)