



## ICT Sector Support in Somalia Phase II (P152358)

AFRICA | Somalia | Transport & ICT Global Practice |  
Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 2 | ARCHIVED on 31-Aug-2016 | ISR24913 |

Implementing Agencies: Ministry of Posts and Telecoms, Ministry of Posts and Telecommunications

### 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:--

Original Closing Date:31-Mar-2018

Revised Closing Date:31-Mar-2018

### 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	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● High	● High



## Implementation Status and Key Decisions

Currently, the sector is faced with the challenges of transitioning from an unregulated telecom market to a well-regulated market with a legal and regulatory framework inspired by global and regional best practices. As a result of self-regulation, frequency allocation amongst operators is sub-optimal with overcrowding of certain frequency bands, while others remain unused. Operators do not pay license/spectrum fees, and the government has no control over the spectrum. Critical areas – including remittances, mobile banking and mobile-money services and mobile services – are influenced and, in some cases, controlled by large companies.

The Communications Act, which is currently pending Parliament approval, would be able to address some of these issues. The regulatory framework proposed in the Communications Act includes: a licensing framework for existing operators; the regularization of existing spectrum allocations; and the creation of new allocations, including for 4G LTE services.

The first phase of the ICT Sector Project, funded through the World Bank State- and Peace-building Fund (SPF) has laid the ground work for Phase II of the project to be scaled up through MPF funding. The project has enabled a number of key milestones in the sector:

1. First historic interconnection agreement signed by telecom operators in June 2014 and has now been sustained for more than one year
2. First official contribution by telecoms operators to the public treasury officially, ongoing since May 2014 (at around US\$400k per month), has now generated over US\$10m to the Treasury
3. Phase 2 became effective following signing of grant agreements in June 2015 and amendments (to utilise the second tranche of funding) on 3 September 2015.
4. 1 October 2015: Successful completion of the first Video-Conference test call using fiber-optic connectivity from the Federal Ministry of Posts and Telecommunications in Villa Somalia (link from the landing station in Mogadishu) and simultaneously with 5 locations (DC, Dubai, UK and two other in Mogadishu)
5. November 2015: Installation of Communications Rooms in 3 Ministries (scalable to 6 other Ministries in Mogadishu and up to 25 in the rest of the country during the project)
6. Functioning and staffed up Project Implementation Unit within the Ministry of Posts and Telecommunications
7. The advance purchase of bandwidth for government and provision of a fibre local loop around Mogadishu, is near complete, and a second procurement process is underway for the higher education sector.
8. Recruitment of three positions for the Project Coordination Unit in Puntland, which is established under a subsidiary grant agreement.
9. Communications Law approved by Cabinet in October 2014 and again in June 2016 and is currently awaiting third reading and vote in Parliament, but this has been delayed by the parliamentary timetable.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● High
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	● Moderate	● Moderate
Stakeholders	● High	● High	● 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	--	N	Y
Date	31-Dec-2014	--	16-Aug-2016	31-Dec-2018

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4300000.00	4800000.00	4800000.00	12000000.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

#### ► International internet bandwidth per inhabitant (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	255.00	500.00	850.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018



### Overall Comments

Information on international bandwidth per inhabitant is expressed in kbit/s and is estimated based on data from TeleGeography, ITU and cable operators.

### Intermediate Results Indicators

► Establishment of independent federal ICT regulatory agency (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	N	N	Y
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

► Mobile licenses issued (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	1.00	4.00
Date	31-Dec-2014	--	16-Aug-2016	31-Dec-2018

► Number of ISPs authorized (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	1.00	10.00
Date	31-Dec-2014	--	16-Aug-2016	31-Dec-2018

► International Internet Bandwidth (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 Gbit/s	--	7.5 Gbit/s	10 Gbit/s
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	29-Dec-2018



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	15.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

► Universities provided with improved bandwidth (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

► SIM card registration (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100000.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	20.00	40.00	80.00
Date	31-Dec-2014	02-Dec-2015	16-Aug-2016	31-Dec-2018

Overall Comments

## Data on Financial Performance



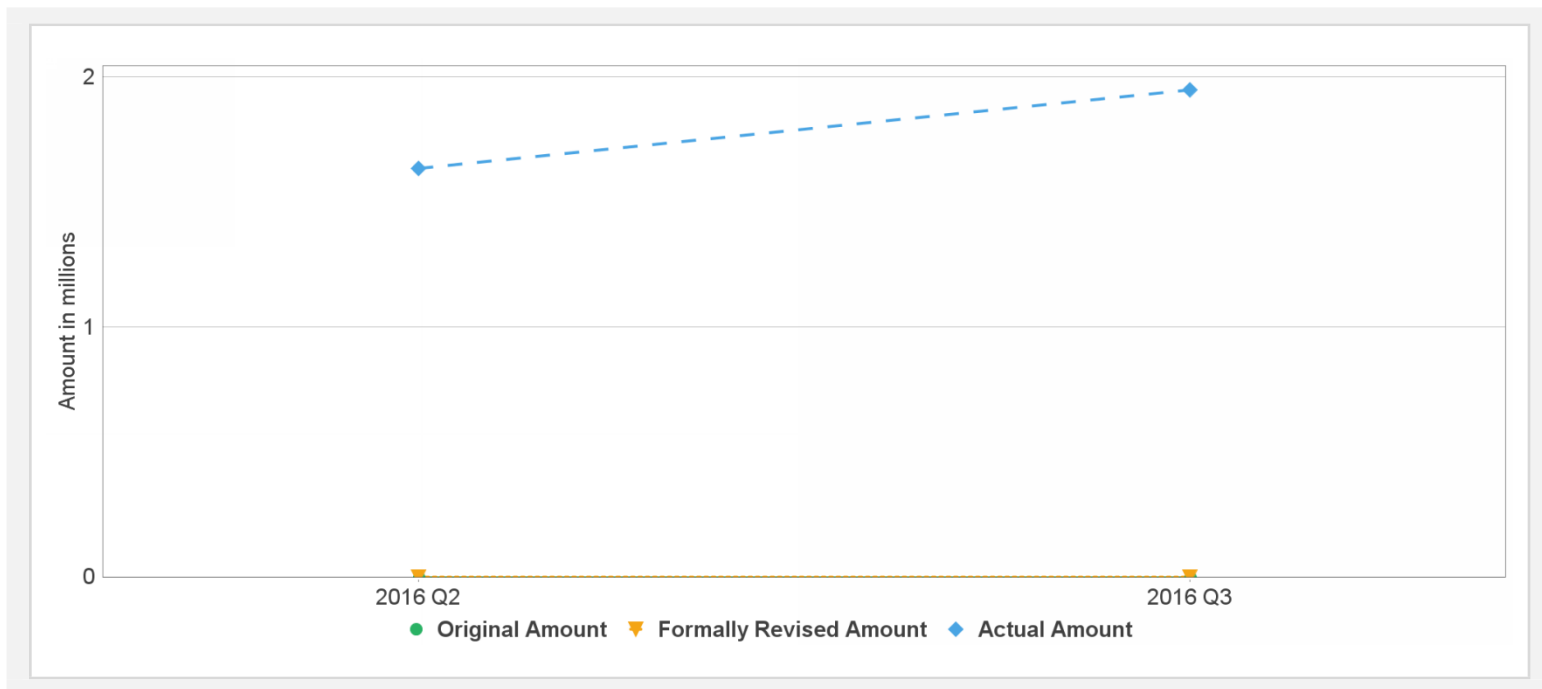
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P152358	TF-A0175	Effective	USD	3.50	3.50	0.00	1.95	1.55	<div style="display: inline-block; width: 56%; height: 15px; background-color: #4CAF50; border: 1px solid #ccc;"></div> 56%

**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	31-Mar-2018

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.

