The World Bank
ICT Sector Support in Somalia Phase II (P152358)

Implementation Status & Results Report

ICT Sector Support in Somalia Phase II (P152358)

AFRICA | Somalia | Transport & ICT Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 1 | ARCHIVED on 23-Jan-2016 | ISR21777 |

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
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● 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 (around 400k per month)
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 15 Ministries during the project and to other Federal States)
6.   Functioning and staffed up Project Implementation Unit within the Ministry of Posts and Telecommunications
7.   The advance purchase of bandwidth and provision of a fibre local loop around Mogadishu, is at an advanced phase and should be completed by the end of 2015.
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 revised following second reading in Parliament in July 2015. It is ready for third reading and vote, but this has been delayed by the parliamentary timetable.

The World Bank
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Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	--	● Substantial
Macroeconomic	● Substantial	--	● Substantial
Sector Strategies and Policies	● Substantial	--	● Substantial
Technical Design of Project or Program	● Moderate	--	● Moderate
Institutional Capacity for Implementation and Sustainability	● High	--	● High
Fiduciary	● High	--	● High
Environment and Social	● Moderate	--	● Moderate
Stakeholders	● High	--	● High
Other	● High	--	● High
Overall	● 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	--	02-Dec-2015	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	12000000.00
Date	31-Dec-2014	--	02-Dec-2015	31-Dec-2018

The World Bank
ICT Sector Support in Somalia Phase II (P152358)

▶ International internet bandwidth per inhabitant (Number, Custom)

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

Overall Comments

Intermediate Results Indicators

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	--	N	Y
Date	31-Dec-2014	--	02-Dec-2015	31-Dec-2018

Comments
The Communications Act, once passed by the Parliament (third reading and vote expected in January), will create the ICT Regulatory agency.

▶ Mobile licenses issued (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	4.00
Date	31-Dec-2014	--	02-Dec-2015	31-Dec-2018

Comments
The Communications Act, once passed by the Parliament (expected in January 2016), will create the ICT Regulatory agency and the Agency will be responsible for the issuing of mobile operators licenses. For the moment the Ministry of Posts and Telecommunications is holding this responsibility.

▶ Number of ISPs authorized (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	31-Dec-2014	--	02-Dec-2015	31-Dec-2018

▶ International Internet Bandwidth (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 Gbit/s	--	4 Gbit/s	10 Gbit/s
Date	31-Dec-2014	--	02-Dec-2015	29-Dec-2018

Comments
International Internet Bandwidth with a landing station in Mogadishu and a terrestrial fiber optic connectivity via Djibouti to Somaliland.
Microwave connectivity from Kenyan border.

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

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

▶ Universities provided with improved bandwidth (Number, Custom)

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

Comments
Project became effective recently.
Signed MoU between Somali Research and Education Network and Federal Ministry of Posts and Telecommunications.
Advance Payment Agreement signed between SomaliREN and UbuntuNet Alliance for Somalia to become member of the AfricaConnect2
Program and leveraging parallel financing from the EU to purchase bandwidth for universities across the country and additional international

bandwidth at cheaper rates.

▶ SIM card registration (Number, Custom)

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

Comments
The Communications Act, once passed by the Parliament will be the basis for this. In the meantime, the Government, supported by the project, will start registering SIM cards for civil servants.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	20.00	80.00
Date	31-Dec-2014	--	02-Dec-2015	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	1.94	1.56		56%

Key Dates (by loan)

The World Bank

ICT Sector Support in Somalia Phase II (P152358)

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
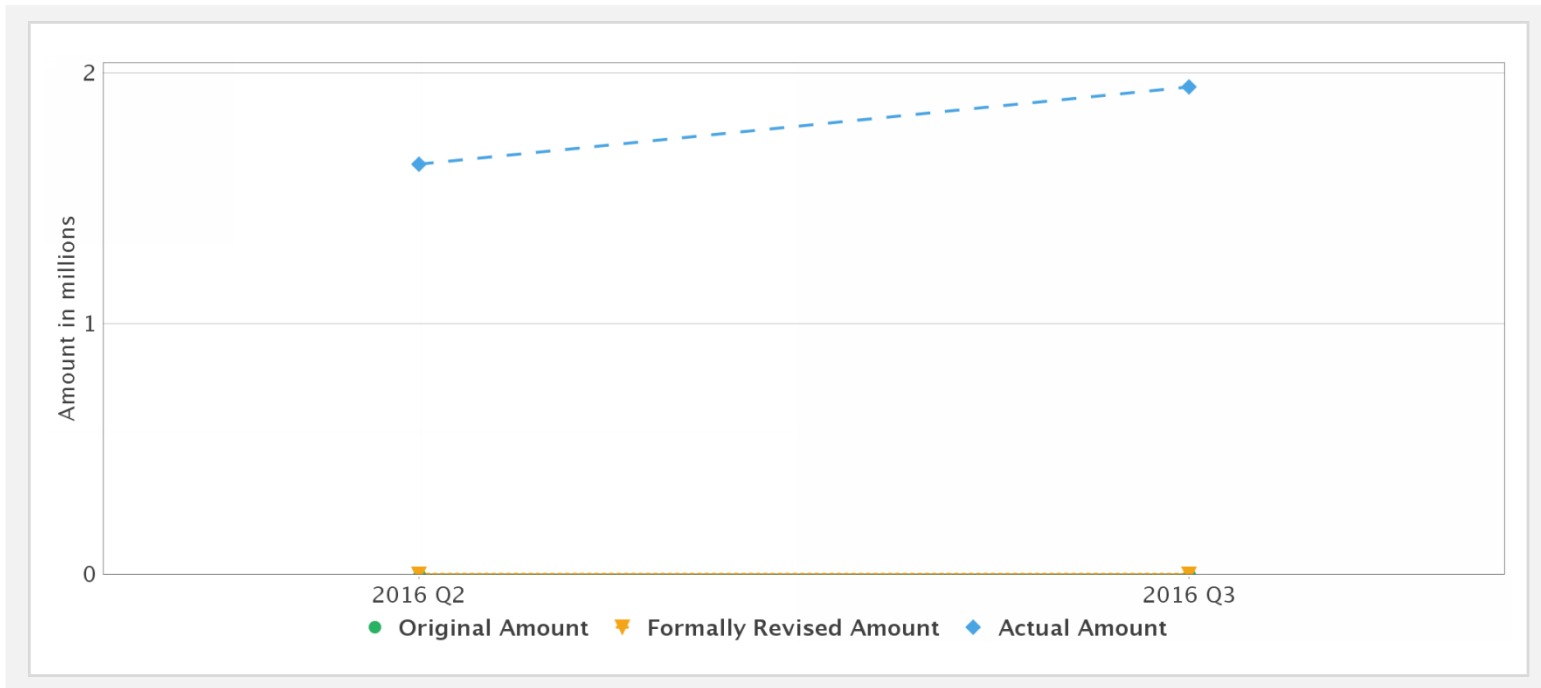
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.