



Pacific Regional Connectivity Program 2:Palau-FSM Connectivity Project (P130592)

EAST ASIA AND PACIFIC | Micronesia, Federated States of | Transport & ICT Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 2 | ARCHIVED on 23-Jan-2016 | ISR21447 |

Implementing Agencies: Department of Transport, Communication and Infrastructure

Key Dates

Key Project Dates

Bank Approval Date:17-Dec-2014

Effectiveness Date:11-Mar-2015

Planned Mid Term Review Date:31-Oct-2017

Actual Mid-Term Review Date:--

Original Closing Date:31-Jan-2020

Revised Closing Date:31-Jan-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective of the Project is to reduce the cost and increase the availability of ICT services needed to support social and economic development in the Recipient's territory.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1A Palau-Yap-Guam Cable System:(Cost \$22.50 M)

Component 1B Chuuk-Pohnpei Cable System:(Cost \$18.50 M)

Component 1C Kosrae Connectivity:(Cost \$3.50 M)

Component 2 Technical Assistance:(Cost \$2.25 M)

Component 3 Project Management:(Cost \$0.75 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory



Overall Risk Rating

● Substantial

● Substantial

Implementation Status and Key Decisions

The Project became effective as of March 11, 2015. A Project Coordinator was appointed on June 10, 2015. Specialist legal technical and financial advisers have been retained to assist on legal and transactional issues associated with sector development and investment issues including: (a) the future ownership of existing and new international connectivity assets; (b) possible financial and ownership restructuring of FSMTC and the establishment of the open access entity (OAE) that will implement Part 1; and (c) transactional issues implementing the proposed connectivity infrastructure investments and institutional restructuring. An individual technical consultant has also been retained to assist with technical project management of the PYG cable (jointly with Palau via the joint MicroPal committee) and the Chuuk Pohnpei cable. Work on the creation of the Telecommunications Regulatory Authority is expected to begin in early 2016.

The Government's Project Team is now focused on: (a) negotiating and finalizing the commercial arrangements for contracting with SEA-US and NEC for the procurement of capacity rights and the construction of a new cable to connect Yap to the global telecommunications network; and (b) evaluating whether using NEC to supply the Chuuk Pohnpei cable system would secure greater efficiencies than any alternative supplier selected on the basis of LIB or ICB. Aside from procurement activities, the Government is also working on the actions needed to satisfy the disbursement conditions for Part 1, particularly the creation and operationalization of the OAE, all in form and substance satisfactory to the Bank. It is noted that if these steps are not completed prior to the date for any subsequent payments, responsibility for these payment obligation(s) would fall on Government until such time as use of project funds is cleared.

Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators



► Access to telephone services (mobile phones per 100 people) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	--	30.00	80.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

► Access to Internet Services (number of subscribers per 100 people) (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	--	2.00	40.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

► Wholesale Internet bandwidth price (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1800.00	--	1800.00	700.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

► Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	42000.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

▲ Female beneficiaries (Percentage, Core Supplement)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00

► Internet bandwidth available (Mbps) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.00	--	38.00	20150.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

► Impact on Telecom sector of World Bank Technical Assistance (composite score: 1- low impact to 5-high impact) (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	--	2.00	5.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

► Retail Price of Internet Services (per Mbit/s per Month, in US\$) (Amount(USD), Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	65.00	--	65.00	20.00
Date	30-Sep-2014	--	--	31-Jan-2020

Overall Comments

Intermediate Results Indicators



▶ Length of fiber optic cable built (km) (Kilometers, Custom)


	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	2350.00
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

▶ Regulatory capacity strengthened (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	25-Sep-2014	--	24-Jul-2015	31-Jan-2020

Overall Comments

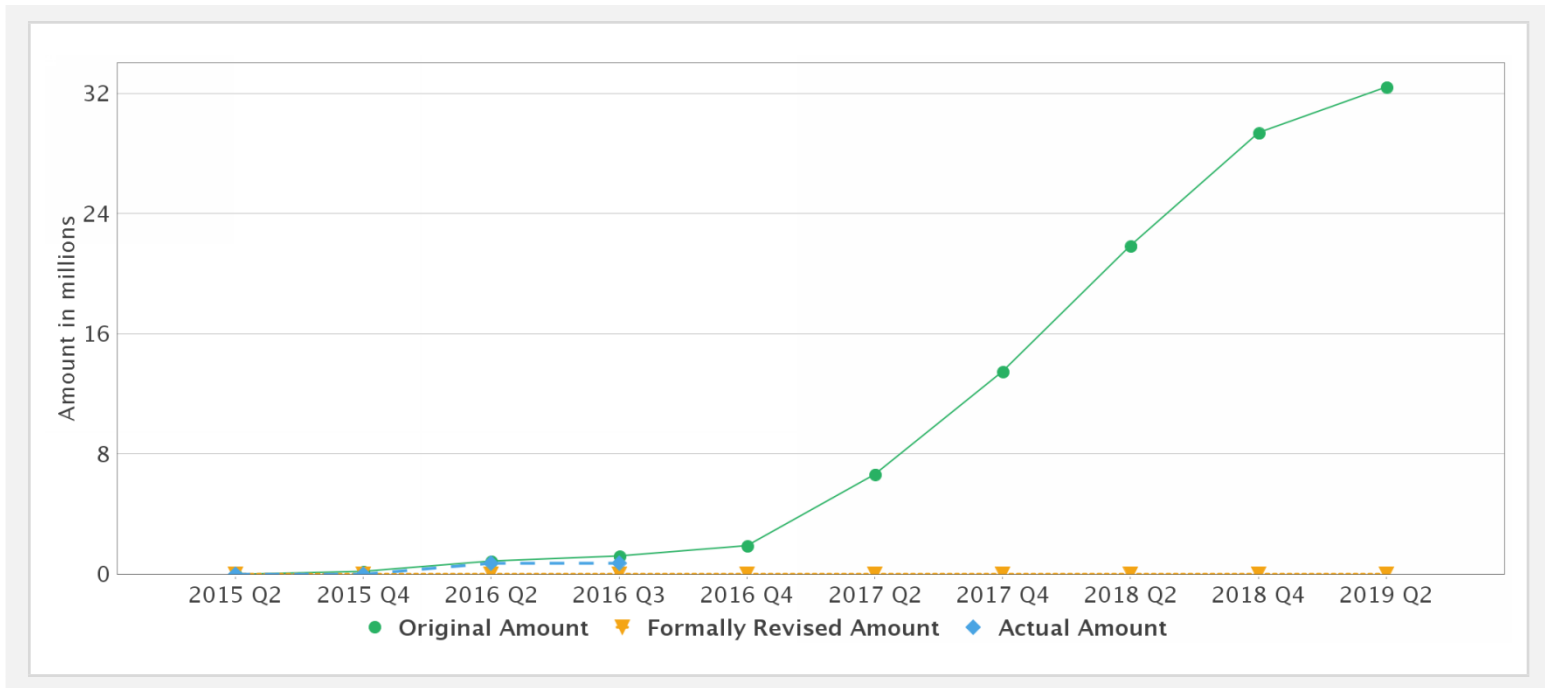
Data on Financial Performance**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P130592	IDA-D0040	Effective	XDR	32.10	32.10	0.00	0.74	31.36	 2%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P130592	IDA-D0040	Effective	17-Dec-2014	06-Mar-2015	11-Mar-2015	31-Jan-2020	31-Jan-2020

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.