



REPORT NO.: RES50256

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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM PHASE 5 - UGANDA
APPROVED ON MAY 22, 2015
TO
REPUBLIC OF UGANDA

DIGITAL DEVELOPMENT

AFRICA EAST

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I. BASIC DATA

Product Information

Project ID P130871	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 22-May-2015	Current Closing Date 28-Feb-2022

Organizations

Borrower Republic of Uganda	Responsible Agency National Information Technology Authority, Uganda, Ministry of ICT and National Guidance
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Project Development Objective (PDO)

Original PDO

To support the Recipient’s efforts to:

- (i) Lower prices for international capacity and extend the geographic reach of broadband networks (the connectivity development objective); and
- (ii) Improve the Government’s efficiency and transparency through e-Government applications (the transparency development objective).

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-56350	22-May-2015	04-Feb-2016	26-May-2016	28-Feb-2022	75.00	75.77	0



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

A. Introduction

1. This restructuring paper pertains to a Level II restructuring that seeks to extend the closing date of the Regional Communications Infrastructure Program Phase 5 - Uganda (RCIP-5) project by six months, from February 28, 2022 to August 31, 2022. The proposed extension, requested by the Government of Uganda (GoU) on February 14, 2022, aims to compensate for the implementation delays caused by the COVID-19 pandemic and allow for a few outstanding activities to be fully completed. This would be the first closing date extension under this project. No other changes are proposed under this restructuring.

B. Background

2. The RCIP-5 project, financed by a US\$75 million (XDR 54,400,000) IDA credit and US\$10 million in counterpart funding, was approved by the Board on May 22, 2015 and declared effective on May 26, 2016. The RCIP-5 project's development objectives (PDO) are to: (i) lower prices for international capacity and extend the reach of broadband networks and (ii) improve the Government's efficiency and transparency through e-Government applications. The project has four components:

- (a) Component 1: Enabling Environment
- (b) Component 2: Connectivity
- (c) Component 3: e-Government
- (d) Component 4: Project management

C. Status of Implementation

3. Despite a slow start, implementation of the project has steadily improved over time and most of the supported activities have been completed. As of December 31, 2022, which is two months before current closing date, 100 percent of the IDA credit supporting the project has been disbursed, of which US\$7.2 million sits in the designated account. Given that US\$7.0 million is already committed to cover the outstanding balance associated with the remaining active contracts, only US\$ 0.2 million remains available. The design of activities not yet committed, amounting to US\$0.2 million, is well advanced and procurement for these activities will start as soon as the extension is granted.

4. Some of the major achievements credited to the project include:

- a Implementation of the National Backbone Infrastructure (NBI) in the West Nile and North Eastern parts of the country, covering a total of 842 Km of Optical Fiber Cable (OFC).



- b Establishment of the National Data Center (NDC) and Disaster Recovery Site that provide hosting services for the majority of government applications and systems. To-date, 189 critical government applications are being hosted for 101 Ministries, Departments, and Agencies (MDAs).
- c Development of a Data Sharing and Integration Platform for government services, with 44 public and private entities already integrated into the platform with an ability to exchange data.
- d Establishment of the National Computer Emergency Response Team (CERT) Forensic Coordination Center to enhance coordination on Cybersecurity and to ensure protection of national Critical Information Infrastructure.
- e Development and roll-out of the Unified Messaging and Collaboration System (UMCS), which provides secure email and communication services to more than 20,000 users in 99 MDAs and District Local Governments (DLGs) and an SMS Gateway that offers SMS services to 25 government entities.

5. The project is also expected to meet the objectives it was set out to achieve. As of the last Implementation Support and Results (ISR) report, dated October 6, 2021, progress towards achievement of the PDO and implementation progress are both rated Satisfactory. Of the seven (7) PDO indicators defined in the Results Framework, five (5) have already achieved their targets, while the other two (2), related to access to direct project beneficiaries and telephony services, are making good progress and are expected to meet their targets by the requested extended closing date. The completion of active contracts and activities not yet committed will contribute to achieving the pending targets.

6. The performance of the implementing agency continues to be satisfactory. The project is also currently compliant with all fiduciary and safeguards requirements and legal covenants. There are no overdue audits or Interim Financial Reports(IFRs).

D. Rationale for Restructuring

7. Up until late 2021, and despite the COVID-19 pandemic, the project was mostly on track to complete all remaining activities by its original closing date of February 28, 2022. However, in the recent weeks, the delivery of goods experienced unexpected delays and international technical experts faced restrictions on entering the country, due to the speedy spread of Omicron variant COVID-19. In that context, it became apparent to both the GoU and the World Bank (WB) team that a few remaining activities that are key to optimizing projects impact would take longer than planned. A six-month extension would enable the GoU to compensate for the delays related to the recent surge in Omicron variant of COVID-19, which negatively impacted procurement, shipment, and installation of equipment and the ability of technical experts to travel into the country as well as to the project areas.

8. For example, under Component 2 on Connectivity, while the construction of the NBI and most connection sites are now completed, delays in the delivery of goods due to worldwide shortage of electronic components (e.g., RAM/Memory modules for the NDC upgrade) and global supply chain disruptions caused by quick spread of Omicron variant of COVID-19, combined with an inability of vendors and NITA-U, the implementing agency, to mobilize and deploy proper experts in the field due to COVID-19, all are undermining the ability to connect the last sites, as previously planned, by the end of February 2022. Granting a few more months for completion would allow meeting the target numbers of beneficiaries.

9. Under Component 3 on e-Government, more time would allow to: (ii) complete RAM/Memory enhancement of the National datacenter and solar power installation for the aggregate switches in the NBI; (iii) finalize the provisioning of the Digital Authentication and Electronic Signatures Platform (DAES) and its integration with eight first e-services; (iv) finalize the Application Programming Interfaces (API), critical to the integration of MDAs into the Data Sharing



Platform; (v) conduct in-person acceptance testing and user training of the infrastructure deployed under the project; and (vi) complete an evaluation of the project’s impact, with the aim to disseminate the findings to key stakeholders.

10. Without the proposed extension, there is a high risk that the PDO may not be fully achieved. In particular, allowing for more time would help have the remaining critical public sites connected to internet; improve the capacity of the National Datacenter to meet the ever-growing demand of the MDAs for additional data hosting capacity; allow for proper testing of the Digital Authentication services and APIs, that are both critical to the GoU’s ability to provide fully remote services across multiple sectors. Authorizing more time for these activities is critical to the achievement of the PDO and to reaching the targets associated with two indicators. The extension would also further enhance broadband adoption and the digital ecosystem in Uganda, in line with the objectives of the GoU’s Digital Transformation Programme under its NDP-III (National Development Plan), which are to increase the ICT Infrastructure in the country and mainstream e-Government services across MDAs/DLGs.

11. The COVID-19 pandemic could also continue to cause delays in logistics planning, in the shipment of critical equipment, and consultancy services needed for full functionality and protection of service delivery infrastructure. However, the risk of further delays can be mitigated by actions the GoU has taken to advance implementation of the remaining activities, including closely monitoring and complying with a realistic and timebound action plan that it has prepared and shared with the WB.

E. Proposed Changes

12. This Level II restructuring proposes a six-month extension of the closing date, from February 28, 2022 to August 31, 2022. No other changes are proposed.

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-56350	Effective	28-Feb-2022		31-Aug-2022	31-Dec-2022