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

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AFRICA | Somalia | Digital Development Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 7 | ARCHIVED on 13-May-2019 | ISR36617 |

Implementing Agencies: Ministry of Posts, Telecoms and Technology, Ministry of Finance, Ministry of Posts, Telecommunications and Technology, Federal Government of Somalia

Key Dates

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Bank Approval Date: 08-Jun-2015

Planned Mid Term Review Date: 15-Mar-2017

Original Closing Date: 30-Sep-2019

Effectiveness Date: 15-Jun-2015

Actual Mid-Term Review Date: 24-Feb-2017

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	●Substantial

Implementation Status and Key Decisions

Since the latest ISR, approved in November 2018, some further progress has been made in respect to Component 1, supporting an enabling environment. In particular, the independent regulatory agency (NCA) is now functioning well as sector regulator and has held five Board meetings to date. The establishment of the NCA is seen as instrumental in implementing the Communications Act, formalizing the sector by issuing operator licenses, and helping to generate government revenue. The speedy establishment of an independent, strong and effective regulatory body has been a strategic priority by the highest level of government, setting an important precedent for regulatory governance in Somalia. Other important steps include:

a) the formalization of payments by operators to the National Treasury, as of 1 January 2019;

b) the posting of draft regulations on the NCA website as a means of promoting transparency, including the new numbering regulation and the national frequency allocation table (NFAT);

c) holding a full-scale consultation meeting with stakeholders in the week of 1 May, including representatives from the NCA, MPTT, federal member states and private operators, with interconnection and licensing high on the agenda;

d) Development of a national ICT strategic plan, with support from the ITU and WBG, which is now open to a public consultation;

e) the operationalization of the internet exchange point (IXP) located at the landing station within Mogadishu International Airport.

f) Provision of training, notably a joint program of regulatory training organized by WBG, ITU and USTTI, held in Nairobi, 27-29 March 2019, and participation in the WSIS Forum in Geneva, April 2019.

To support the establishment and the technical capabilities of the NCA, an Implementation Task Team (ITT) has been recruited on a competitive basis and the Minister and General Manager of the NCA are happy with the work of the ITT so far. The staffing of the ITT was recently refreshed with three new consultants added to replace those who had left.

Support to the SomaliREN (Research and Education Network) is continuing, and an upgrade in network capacity from and STM-1 to an STM 4 (655 Mbit/s) is planned

For mobile money, a thematic extension of the first wave of research has been commissioned and drafts have been delivered and are currently being reviewed. This research focusses on usage of mobile money among vulnerable groups. Delays were incurred due to delays in obtaining support letters from MPTT, required to ensure field teams' safety. The letters were finally obtained in September 2018. As for the mobile money pilot program, the first wave of payments to civil servants has been completed, and the second phase, with humanitarian payments, will proceed shortly, engaging with the NGO Concern.

A follow-on lending program -- SCALED-UP (Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program) was approved by the Board in March 2019 and the financing agreement was signed in April 2019. Assuming it becomes effective, as planned, within four months of signature, there should be no break between the expected conclusion of this ICT sector support program and the new funding. Some activities currently supported, notably on regulatory support and mobile money, will continue under SCALED-UP, but there is no provision for continuing support for Government connectivity, or SomaliREN.

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	Substantial
Fiduciary	High	High	Substantial
Environment and Social	Moderate	Low	Low
Stakeholders	High	High	Substantial
Other	High	High	High
Overall	High	High	Substantial

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	17-Apr-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	19,850,000.00	22,000,000.00	12,000,000.00
Date	31-Dec-2014	31-Aug-2018	31-Mar-2019	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 also Q1 2019.			

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	3,496.00	7,083.00	850.00
Date	31-Dec-2014	31-Dec-2017	31-Dec-2018	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. The end-2018 figure is based on TeleGeography estimates of 85 Gbit/s capacity divided by around 12 million inhabitants giving a total of 7'083 kbit/s per inhabitant.			

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	--	85 Gbit/s	10 Gbit/s
Date	31-Dec-2014	16-Oct-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, and the provision of additional capacity on the EASSy cable into Mogadishu			

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	17.00	37.00	15.00
Date	31-Dec-2014	17-Apr-2018	06-May-2019	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	14.00	15.00
Date	31-Dec-2014	17-Apr-2018	06-May-2019	31-Dec-2018
Comments:	The SomaliREN link went live in June 2018 and current some 14 universities or colleges are connected, mainly in the Benadir region.			

▶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	30-Sep-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	280.00	530.00	80.00
Date	31-Dec-2014	17-Apr-2018	06-May-2019	31-Dec-2018
Comments:	80 people have been trained via the project, since mid-October 2017.			

80 people have been trained via the project, since mid-October 2017.
- 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
- A joint USTTI / WBG / ITU training program was held in Nairobi in March 2019
- Training for some 250+ beneficiaries of the mobile money payments was provided in Mogadishu in April 2019

Training to support use and maintenance of the new communcation rooms was also provided following official commissioning

Data on Financial Performance
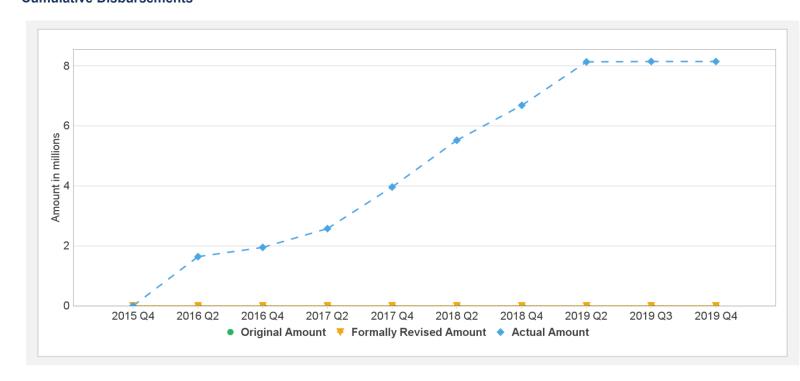
Disbursements (by loan)

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 | 1.19 | 1.31 | | 47% |

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 ,Level 2 Approved on 24-Apr-2019

Related Project(s)

P164441-Additional Financing: ICT Sector Support in Somalia (Phase 2)