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Digital Federated States of Micronesia Project (P170718)

EAST ASIA AND PACIFIC | Micronesia, Federated States of | Digital Development Global Practice |
IBRD/IDA | Investment Project Financing | FY 2020 | Seq No: 8 | ARCHIVED on 11-Dec-2023 | ISR58244 |

Implementing Agencies: Department of Finance and Administration, Department of Health and Social Affairs, Department of Transportation Communication and Infrastructure, Federated States of Micronesia, FSM Telecommunications Cable Corporation, Telecommunication Regulation Authority

Key Dates

Key Project Dates

Bank Approval Date: 27-Mar-2020
Effectiveness Date: 20-May-2020
Planned Mid Term Review Date: 09-Oct-2023
Actual Mid-Term Review Date: 09-Oct-2023
Original Closing Date: 31-Mar-2026
Revised Closing Date: 31-Mar-2026

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To expand access to the internet, promote private sector investment in digital services, and establish the critical foundations for digital government services and the digital economy in the Recipient's territory

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

No

Components Table

Name
Component 1. National Digital Connectivity Infrastructure:(Cost $15.00 M)
Component 2. Digital Government Platform:(Cost $6.50 M)
Component 3. Enabling Environment for Digital Government and Digital Economy:(Cost $3.00 M)
Component 4. Project Management:(Cost $6.30 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

Progress towards achieving the Project Development Objective and overall Project implementation continue to remain Moderately Satisfactory. Contracts for the supply of goods and equipment for the fiber-to-the-home rollout have been signed and the rollout of fiber will begin in Yap and Kosrae in early 2024. The Digital FSM Office has been established and project officers have been successfully recruited. Work is underway for the design and implementation of digital ID and for draft laws and regulations for the digital economy.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Expand access to the internet

►Expanded access to internet services on outer islands (percentage of outer islands with internet access) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	Measure of outer islands with a basic 4G/LTE mobile or wifi service which are eligible for coverage under the Project (comprising inhabited islands with a population of approximately 100 people or more).			

►People provided with access to the Internet (Number, Corporate)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	35,000.00	39,000.00	45,000.00	55,000.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026

Comments:	45,000 using 6908 fixed connections and 352 satellite @6.2 people per household. Assumed mobile internet users also have fixed/satellite at home, so are not counted twice.

Number of people that benefitted from new access to Internet service. (Number, Corporate Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4,000.00	4,000.00	20,000.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026

Number of people that benefitted from the improved Internet service. (Number, Corporate Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	21,984.00	33,787.00	35,000.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026

People provided with access to the Internet - Female (Number, Corporate Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	17,500.00	19,500.00	22,500.00	27,500.00

Promote private sector investment in digital services

►Number of fixed broadband retail providers in FSM (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1.00	2.00	2.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	Service provider(s) means fixed broadband providers offering fiber to the home services in at least one state – FSTMC (three states) and iBoom (Yap)			

►Number of mobile service providers in FSM (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1.00	1.00	2.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	Mobile service providers means mobile operators offering mobile services in at least one state.			

Establish the critical foundations for digital services

►Digital government strategy adopted by National and State governments (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

►Regulatory framework for digital services adopted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	Laws and regulations adopted addressing privacy, data protection, cybersecurity and e-commerce			

Intermediate Results Indicators by Components

Component 1. National Digital Connectivity Infrastructure

►Availability of fiber services in the deployment area (homes passed) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	39.38	46.34	80.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	4,640 homes passed on 10,014 homes. The indicator will measure the availability of the fiber network in the deployment area. The deployment area means Project areas appraised for roll-out of fiber services under the Project (Number of HH from 2010 Census - Main islands of Yap, Pohnpei, Kosrae + Tonowas, Udot, Eot and Weno. Weno was not part of the original scope but it is included in the information from TRA on number of connections). The determination of availability will measure the number of homes passed (as a percentage of total number of homes) that have the technical and commercial means to connect by drop wire to the network. Previous number reported (4,900) was likely a data error. Note that the completion of the network survey will allow a more accurate and updated statistic.			

►Premises with a fiber connection (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	26.59	31.25	25.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	3,129 homes connected on 10,014 homes. Percentage of premises in the deployment area connected to the fiber network. Previous number reported (4,435) was incorrect and should have been 3,435			

►Cost of entry level fixed broadband service (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	26.00	49.00	49.00	26.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	The indicator will measure the cost (US$ per month) of the entry level (lowest cost) residential fixed broadband service. The per unit cost is expected to fall substantially over the Project implementation period as the amount of bandwidth (Mbps) offered under an entry level package increases. The indicator is designed to monitor overall affordability of basic fixed broadband services in absolute terms. Note that Kosrae does not have any retail service available at 10Mbps. Pricing is not yet available from iBoom for their retail service.			

Retail Price of Entry Level Fixed Broadband - Yap (Amount(USD), Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	26.00	--	49.00	26.00

Retail Price of Entry Level Fixed Broadband - Chuuk (Amount(USD), Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	26.00	--	49.00	26.00

Retail Price of Entry Level Fixed Broadband - Pohnpei (Amount(USD), Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	26.00	--	49.00	26.00

Retail Price of Entry Level Fixed Broadband - Kosrae (to be verified) (Amount(USD), Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	26.00

►Speed (Kbps) of entry level fixed broadband service (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	512.00	10,000.00	10,000.00	10,000.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	This indicator will measure in Kbps the speed of an entry level residential fixed broadband service. Performance data for iBoom offering in Yap is not yet avaliable			

Speed (Kbps) of entry level fixed broadband service - Yap (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	512.00	--	10,000.00	10,000.00

Speed (Kbps) of entry level fixed broadband service - Chuuk (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	512.00	--	10,000.00	10,000.00

Speed (Kbps) of entry level fixed broadband service - Pohnpei (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	512.00	--	10,000.00	10,000.00

Speed (Kbps) of entry level fixed broadband service - Kosrae (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	512.00	--	512.00	10,000.00

►Mobile broadband penetration (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.70	0.70	40.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	This indicator will measure percentage of the population using mobile broadband services as reported to the ITU.			

►Base-stations installed on outer islands (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	20.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

►Project beneficiaries reporting satisfaction with improved internet services (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	01-Apr-2020	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	Persons identifying improved internet services (disaggregated by gender) Online survey closed 24-May 2023. 397 out of 662 (60%) fixed internet users reported improved services in the past year; “faster” and “better reliability” were the main improvements for Pohnpei, Chuuk and Yap; “faster and “better coverage” were the main improvements for Kosrae. 414 out of 725 mobile internet users (57%) reported improved services in the past year; “faster” and “better reliability” were the main improvements for Pohnpei and Chuuk; “faster” and “better coverage” were the main improvements for Kosrae and Yap. ~800 responses to survey 66% of female fixed internet users reported improved services in the past year (241/367); 64% of female mobile internet users reported improved services in the past year (245/381)			

of which female (Percentage, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	0.00	0.00	66.00	25.00
Date	01-Apr-2020	30-Nov-2022	13-Oct-2023	31-Mar-2026

Component 2. Digital Government Platform

►Digital government strategy developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

►Digital services implemented by government (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

►Passage of harmful digital communications bill (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

Component 3. Enabling Environment for Digital Government and Digital Economy

►Government's Cyber Security Program developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

►Number of people reached through digital literacy and entrepreneurship programs (disaggregated by gender) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5,000.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	This measures the implementation of outreach activities relating to digital literacy and entrepreneurship designed to increase participation in the digital economy on a gender informed basis.			

of which female (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2,500.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026

Component 4. Project Management

►Grievances responded and/or resolved within the stipulated service standards (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	75.00
Date	31-Dec-2019	25-May-2023	13-Oct-2023	31-Mar-2026
Comments:	The project's grievance mechanism (GM) defines services standards for responding to and ideally resolving complaints (High/Medium/Low priority 5/10/30 working days respectively)			

Performance-Based Conditions

Data on Financial Performance

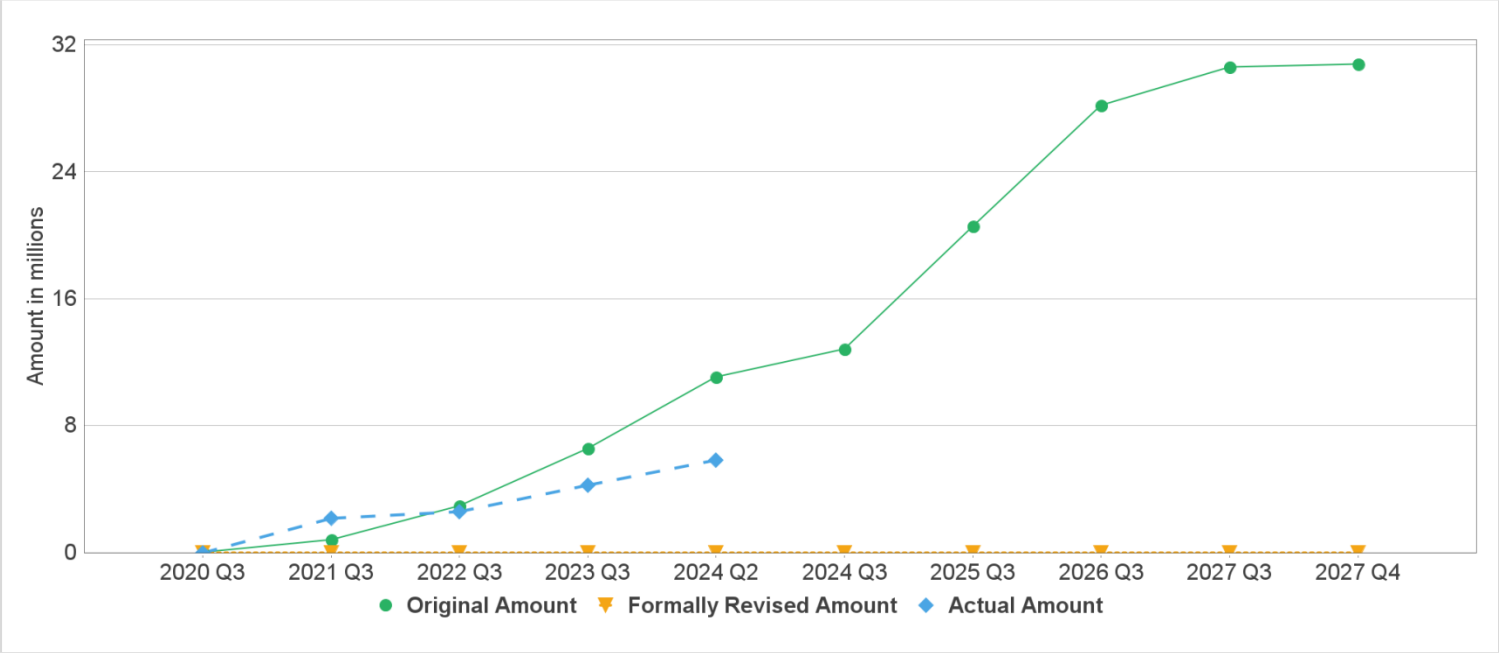
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P170718	IDA-D5560	Effective	USD	30.80	30.80	0.00	5.83	23.56	20%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P170718	IDA-D5560	Effective	27-Mar-2020	12-Apr-2020	20-May-2020	31-Mar-2026	31-Mar-2026

Cumulative Disbursements



Restructuring History

Level 2 Approved on 13-Jul-2022

Related Project(s)

There are no related projects.