



1. Project Data

Project ID
P132821

Project Name
Central African Backbone SOP5

Country
Eastern and Southern Africa

Practice Area(Lead)
Digital Development

L/C/TF Number(s)
IDA-H9810

Closing Date (Original)
31-Dec-2019

Total Project Cost (USD)
38,092,516.05

Bank Approval Date
16-Jul-2014

Closing Date (Actual)
30-Sep-2021

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	92,100,000.00	0.00
Revised Commitment	55,721,179.74	0.00
Actual	38,092,516.05	0.00

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2. Project Objectives and Components

a. Objectives

This project in the Democratic Republic of Congo (DRC) was the fifth phase of the Central African Backbone Regional Series of Projects (CAB SOPs), aimed at increasing the geographic coverage and usage of regional backbone network services and reducing their prices in Central Africa. The first phase was in Cameroon, Chad and the Central African Republic (CAR), the second in Sao Tome and Principe, the third in the Republic of Congo (ROC) and the fourth in Gabon.



The project development objective as stated in the loan agreement dated July 25, 2014 (Schedule one, page 5) and in the Project Appraisal Document (PAD, page 14):

" To contribute to increase geographical reach and usage of regional broadband infrastructure and to reduce the price of services to enable more people in the Recipient's territory to access Information and Communications Technology (ICT) services".

Increasing the geographical reach and usage of regional broadband infrastructure can lead more people access to the regional broadband infrastructure. Extending the network nationwide and establishing the Public Private Partnership (PPP) arrangement can help in facilitating competition between the operators at the national level, realizing economies of scale, and thereby reducing the prices of internet services. Given these convincing links, the IEG agrees with the way the ICR chooses to parse the three PDOs.

This assessment is based on the three sub-objectives as stated in the ICR: (i) To contribute to increase geographical reach of regional broadband network services; (ii) To contribute to increasing the usage of regional broadband network services; and (iii) To contribute to reducing the price of services.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

There were three components (PAD, pages 9 -11).

1. Emergence of an Inclusive Digital Economy. The estimated cost at appraisal was US\$13.2 million. The actual cost was US\$3.8 million.

This component aimed to support the Ministry of Posts, Telecommunication and New Information and Communication Technologies (hereafter MINPTNTIC) to accelerate the emergence of an information society and digital economy and help DRC in efficiently managing the new infrastructure. Activities in this component: (i) capacity building of MINPTNTIC in managing the .cd domain name; (ii) capacity building for building e-waste center including a preparatory study, an investment plan, and constructing the e-waste center; (iii) preparatory study for the network and equipment for the Government Intranet; and (iv) support the Congolese Post and Telecommunications Company (hereafter SCPT) operations on its Kinshasa-Muanda link and funding for the SCPT's participation in the Public-Private-Partnership (PPP) concession contract for operating the infrastructure to be managed by the Public Asset Management Company (SPT).

Some component one activities were cancelled with the second project restructuring (discussed below). The cancelled activities, included installation of the e waste center and purchase and equipment for the Government intranet.



2. Construction, Management and Commercialization of the Central African Backbone (CAB5) Infrastructure through a PPP Scheme. The estimated cost at appraisal was US\$71.6 million. The actual cost was US\$28.0 million.

This component aimed to support the Government deploy interconnected networks to form a regional network through the following interventions: (i) establishing three neutral carrier hotels and regional Internet Exchange Points (IXPs); (ii) establishing three interregional links to neighboring countries - West Africa Cable System (WACS) for Kinshasa (western region) and cross-border links to two other economic clusters (Goma and Lubumbashi in the Eastern and Southern regions). This component also financed the Public Asset Managing Company's (SPN) operating cost for the first two years, including monitoring and quality control of the construction.

The scope of the activity in this component was reduced. The activity pertaining to the construction of fiber link was scaled down with the links to Eastern and Southern regions cancelled. The activities of establishing neutral carrier hotels and regional IXPs were cancelled.

3. Enabling Environment and Regulatory Effectiveness. The estimated cost at appraisal was US\$7.3 million. The actual cost was US\$6.5 million.

This component planned to support the regulatory authority - the Post and Telecommunications Authority of Congo (ARPTC) in strengthening its capacity for sector reforms. Activities in this component: (i) Technical Assistance (TA) for strengthening cross-border coordination, designing frequency spectrum management regulatory tools at the border with the Republic of Congo, Zambia and Rwanda and preparing bidding documents for purchasing the spectrum management equipment; (ii) TA for strengthening Network Integrity and Cyber-security and preparing bidding documents for purchasing the Network and Cyber-security equipment; (iii) TA for promoting an Open Access and Wholesale pricing regime and designing regulatory toolkit and tools for the broadband market ; and (iv) purchasing information systems and computers.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The estimated cost at appraisal was US\$92.1 million. The actual cost was US\$38.0 million.

Project financing. An IDA Grant of US\$92.1 million financed the project. The amount disbursed was US\$38.0 million. Only around US\$38.18 million of the Grant was utilized for the project. About US\$36.4 million (39.5% of the IDA Grant) was cancelled from this project for financing an upcoming COVID -19 emergency response Development Policy Operation. About US\$8.78 million was undisbursed by project closure. The team clarified that the difference between the IDA Grant and the amount disbursed was due to exchange rate changes between the SDR and the US\$ during implementation.

Recipient contribution. Recipient contribution was not planned at appraisal. There was no recipient contribution during implementation.

Dates. The project was approved on July 16, 2014, became effective on January 22, 2015, and was scheduled to close on December 31, 2019. However, the project closed 21 months behind schedule on September 30, 2021.



Other changes. There were four Level 2 restructurings during the project lifetime.

The significant changes made through the **first restructuring on March 7, 2019.**

- By the Mid Term Review in March 2018, there was no disbursements to the fiber investment link activity (component two), due to the delays in the Government enacting a new Telecom Law (a disbursement condition). To start the construction of the first link, works for component B was split into two categories, construction of the western cluster in Kinshasa region (category a) and the eastern and southern cluster in Goma and Lubumbashi (category B). New disbursement conditions were specified for each category. The disbursement condition for category a was promulgation of the new Telecom Law, and for category b the Government was to sign a Cooperation Agreement with the Congolese Optical Fiber Company (SOCOF) for the PPP launch.
- The closing date was extended by a year from December 31, 2019, to December 31, 2020, for completing the infrastructure links and completing the PPP arrangements.
- Project costs were reallocated between components in view of the fluctuations in the SDR exchange rate since the start of the project.

The following significant changes were made through the **second project restructuring on July 23, 2020.**

- The promulgation of the telecom law was further delayed to the point that completing the links to the Southern and Eastern Regions was no longer feasible. The project therefore cancelled this activity.
- Some component A activities were cancelled: (i) The installation of the e-center was cancelled as the Government was not able to obtain land for constructing the center; (ii) The installation of equipment for a government intranet was cancelled as there was not enough time for acquiring the equipment from the ministries concerned; and (iii) The length of the fiber optic link was reduced from the originally planned 3,400 to 620 km, as the links to the eastern and southern regions were cancelled.
- US\$36.4 million (39.5% of the IDA Grant) was cancelled from this project for financing an upcoming COVID -19 emergency response Development Policy Operation.

The following change was made through **the third restructuring on December 22, 2020.**

The closing date was extended by about six months from December 31, 2020 to June 18, 2021 for two reasons. One, the borders of DRC borders were closed between March to June 2020 in the wake of the COVID- 19 pandemic. This made it difficult to import equipment or bring experts from outside the country. and two, delays in finalizing the PPP, due in part to the uncertainties related to the promulgation of the new telecom law and the poor enabling environment that made it less attractive to operators.

The following change was made through **the fourth restructuring on June 15, 2021.**

Although the Kinshasa - Muanda link was complete, selection of the private operator (under a PPP arrangement) to manage the infrastructure was still pending. Therefore, the closing date was extended by about three months from June 18, 2021, to September 30, 2021.

3. Relevance of Objectives



Rationale

Country context. DRC is one of the poorest countries in the world, with over 70% of population living classified a living below the poverty line. Protracted civil wars and mismanagement had deeply impoverished its population and destroyed its infrastructure. As a result, the World Bank classifies DRC as a fragile state, due to its institution's weakness. The Information and Communication Technology (ICT) sector could potentially play an important role in DRC's growth prospects, as estimates in the Central African Region showed that a 10% increase in mobile penetration could raise Gross Domestic Product (GDP) per capita by as much as 4.6%.

Sector context. The telecommunications sector in DRC was vibrant with six mobile operators and mobile penetration rate had increased from below 1% in 2000 to 30% by 2010. The sector was however fragmented with disparate wireless, copper and fiber optic cable networks operating in different parts of the large country. Existing networks were concentrated in the three largest clusters of Kinshasa, Goma and Lubumbashi. Operators neither had the resources nor incentives to extend their network. A call originating from Goma to Lubumbashi either had to go through a satellite service, or routed internationally, resulting in higher prices for consumers. Just 2% of the population were using the Internet at appraisal, due to the prohibitive prices as a result of the high bandwidth cost of about US\$4,000 to US\$5,000 per Megabyte per second (Mbps) compared to US\$500 per Mbps in East Africa. Fixed broadband in DRC had a penetration rate of only 0.4%, compared to the regional average of 6.7%. It was hence important for the Government to increase the geographical reach and usage of regional broadband infrastructure and reduce the prices of ICT to enable more people access to ICT services.

Government strategy. The PDOs were well-aligned with the Government's national priorities articulated in the: (i) the 2012-2016 Government's Action Program based on the 2009 Letter of Sector Policy; (ii) the *Plan National de Numerique Horizon 2025*; (iii) the strategy of the current government; and (iv) the National Backbone Development Plan of the MINPTNTIC. This plan comprised five construction phases. The first phase Muanda - Kinshasa (650 km) was built during 2013, but was not fully operational when this project was appraised. The South African Power Market Pool (SAPMP) project contributed to the second phase of the national plan and the current project planned to contribute to the third phase of the plan (with the link to the eastern and southern region).

Bank country and regional strategy. The PDO was well-aligned with the Bank's Country Assistance Strategy (CAS) for 2013 -2016 at appraisal. The CAS highlighted the need for improving access to quality broadband network and services through reducing the prices of ICT services. The ICR (paragraph 34) notes that the 2013-2016 had not been updated when this project closed. The Bank's Country Partnership Framework for DRC for 2022 - 2026 is currently under preparation. The PDO was well-aligned with the Bank's 2013 regional report, "*Reviving the Great Lake: A World Bank Group Regional Initiative for Peace, Stability and Economic Development*". The second pillar of this report centered on Economic Cooperation and Regional Integration noted that all countries have a common interest in developing infrastructure for increasing regional connectivity. The report also mentioned that the CAB5 project would, besides establishing communication links connecting the eastern DRC to Kinshasa, also increase DRC's connectivity both regionally and globally.

Previous Bank experience. The World Bank had supported the telecom sector in DRC through technical assistance activities in the past. This included; (i) assisting in creating a regulatory authority through the Private Sector Competitiveness project; (ii) through policy dialogue for supporting the adopting the Letter of Sector Policy from 2009 to 2012; (iii) supporting the MINPTNTIC in developing the ICT strategy and policy,



and Broadband strategy; and (iv) supporting the Government in revising the legal and regulatory framework for the ICT sector.

This project was the fifth phase of the Central African Backbone (CAB-SOB 5) program, aimed at increasing the geographical reach and usage of regional broadband network services and reducing their prices in the Democratic Republic of Congo (DRC). The other countries in the program were Cameroon, Central African Republic, Chad, Sao Tome and Principe, Republic of Congo and Gabon. The scope of project activities was similar to that in the other countries, which were ongoing when this project was prepared. The PDOs remained highly relevant to the Government and Bank strategy for DRC throughout implementation and continues to be relevant to date. Therefore, the relevance of the PDO is assessed as high.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To contribute to increase geographical reach of regional broadband network services.

Rationale

Theory of change. The project activities included infrastructure investments and capacity building activities. Deploying missing links in the national fiber optic network can be expected to connect DRC's most populated economic clusters of Kinshasa (West), Goma (East) and Lubumbashi (South), and thereby enable the telecom operators to offer seamless services nationwide. Establishing three neutral carriers, regional Internet Exchange Points (IXPs) and interregional links to neighboring countries were aimed at faster and cheaper exchange of local traffic and improved access to national and regional connectivity. Given that neither the Government nor the private operators had the financial capacity on their own to support the high upfront cost, capacity building activities under this project aimed at establishing PPP arrangements to foster competition in the sector. The outputs of these activities were expected to contribute to the intended objective of increasing the geographical reach of regional broadband networks in DRC.

The intended outcomes are based on the following assumptions. (1) The Government enacts the new Telecom Law. (2) Capacity building activities to the MINPTNTIC and ARPTC are carried out; (3) DRC and the neighboring countries sign a Memorandum of Understanding for implementing a regional connection regime; and (4). The Government implements the PPP arrangement for managing the CAB5 infrastructure.

However, the linkages between the activities, outputs and outcomes were weak. Although the intended outcomes was realized, it was not attributable to the project and due to external factors outside the control of the project in the ICT sector (discussed below).



Outputs (pages 33 - 36 and 39 - 40).

- A 620 fiber optic link between Kinshasa and Muanda (western link) was completed by the Congolese Optical Fiber Company (SOCOF) when the project closed, as per the revised target. This was however far short of the original target of 3,400 km link (discussed below).
- A PPP contract was signed with an Angolan-Congolese Consortium to operate the link. However, although the western link was completed, the link was not operational due to the delays in finalizing the PPP contract when the project closed and the link was not connected to the Muanda Landing Station. The team clarified that the PPP arrangement is likely to be commercialized by September 2022.
- The project provided capacity building and TA for promoting Open Access and wholesale pricing regime, and to develop regulatory tools for the broadband market. The ICR notes that when the ICR was prepared, the Open Access Policy for new and existing framework was pending approval.
- The rollout of 4G and the widespread adoption of smartphones increased the speed of broadband available to mobile customers.
- 141 people were trained under this project, exceeding the target of 100.
- The project was however unsuccessful in increasing the geographic reach of broadband services in the Eastern and Southern economic clusters, and in establishing the link to East Africa to access the submarine cables off the east coast. The ICR also notes that the project was not able to establish Memorandum of Understanding with neighboring countries in the East.
- Private capital was not mobilized as intended, as the PPP contract was still pending when the project closed.

Outcomes.

The project outputs were expected to increase the geographical reach of mobile services in DRC.

- When the project closed, 60 percent of the population had access to mobile services, exceeding the target of 50%. However, this outcome was not attributable to the project activities, given that the fiber optic link between Kinshasa and Muanda was not operational when the project closed. The ICR (paragraph 39) notes that in the meantime, private operators (Vodacom and Airtel) had built an additional fiber link between Kinshasa and Muanda that is connected to the SCPT's landing station in Muanda. This makes it unlikely that the operators will use the SOCOF link in the immediate future.

Rating
Modest

OBJECTIVE 2

Objective

To contribute to increasing the usage of regional broadband network services.

Rationale

Theory of change. The theory of change for this objective is the same as the one under the first objective.



Outputs.

In addition to the outputs described above, the following output was relevant to this objective.

- Technical Assistance (TA) was provided to the MINPTNTIC and ARPTC for strengthening the legal and regulatory framework in DRC in areas such as spectrum management, network integrity and cybersecurity. This had a positive effect on development of 3G in DRC which had a penetration on July 1, 2021.

Outcomes.

The outputs were expected to contribute to increasing the usage of regional broadband infrastructure.

- The usage of internet services (mobile subscribers) increased significantly during the project. The indicator was achieved at 115% of the target. However, the ICR (page 20) notes that during this period, several other investments in broadband infrastructure were ongoing, giving the market various connectivity options. Also the western link was not operation when the project closed. Hence the realized outcome were not attributable to the project.
- There were no direct project beneficiaries as the infrastructure was not yet operational at project closure. As the usage of internet services were not attributable to the project, efficacy of this PDO is modest.

Rating

Modest

OBJECTIVE 3

Objective

To contribute to reducing the price of services.

Rationale

Theory of change. The capacity building activities aimed at establishing PPP arrangements were expected to facilitate competition between the operators at the national level. Increase in competition and economies of scale was expected to lead to the intended outcome of reducing the price of internet services.

Outputs.

The output described above were also relevant to this objective.

Outcomes.

The retail internet prices (for mobile subscribers) did fall substantially from about US\$2,000/month at the beginning of the project to US\$123/month when the project closed. This outcome however was not attributable to the project, since the western link was not operational when the project closed.



Rating
Modest

OVERALL EFFICACY

Rationale

The realized outcomes were not fully attributable to the project activities, as the western link was not yet operational when the project closed.

Overall Efficacy Rating
Modest

Primary Reason
Low achievement

5. Efficiency

The World Bank research on the economic multiplier effect of increased broadband penetration rates and estimated broadband penetration rate with and without the project at appraisal, indicated that the CAB5 will increase the Gross Domestic Product (GDP) in DRC by an annual average comprised between 0.61 and 0.68 points over the first five years of the CAB project. When the project closed, no project-supported infrastructure investment was operational. Hence, there was no updated economic analysis was conducted when the project closed (ICR, paragraph 46).

The cost of construction of the 620 km of fiber in the western cluster was about US\$27,000 per km, including civil works. The ICR (paragraph 47) notes that this was in line with international estimates for an underground link covering broadly similar terrain routes and was substantially lower than the price paid by the Congolese Post and Telecommunication Company (SPCT) for the previous link on the same route.

Administrative and operational shortcomings. There were several shortcomings during implementation. The activity associated with the construction of western link was stalled due to the delays in the promulgation of the new telecom law. As a result, there was no disbursement for this link till the Mid-Term Review of the project in March 2018. Even though the link was completed when the project closed, it was not operational. This made it difficult to attribute the results to the project and quantify the number of direct project beneficiaries. Several of the intended project activities (such as, the construction of the e-waste center, purchase and installation of equipment for the Government Intranet and the fiber optic link to the Eastern and Southern region were dropped. The PPP arrangement was still be finalized when the project closed. About US\$36.4 (representing about 40% of the grant of US\$91.0 million was cancelled and diverted to another project. About US\$8.78 was undisbursed by the end of the project and the project closed 21 months behind schedule (although this was partly due to the restrictions in the wake of the COVID -19 pandemic).

In sum, efficiency is assessment as modest in view of the administrative and operational shortcomings during implementation.



Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The PDOs remained highly relevant to the Government and the Bank strategy for DRC throughout implementation and continues to be relevant to date. Efficacy of the three objectives - increasing the geographical reach of broadband network services, increasing the usage of broadband network prices and reducing the prices of broadband services are rated as modest. Although the outcomes were realized, they were not fully attributable to the project. Efficiency is rated as modest in view of the administrative and operational shortcomings, which contributed to the non-completion of many activities.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

Financial risk. This project was intended to aid in commercializing the new link between Kinshasa and Muanda through a PPP arrangement. The PPP arrangement was not finalized when the project closed. The ICR (paragraph 86) notes that the PPP arrangement was designed to ensure that once operational, the new link will be maintained and that the future operating expenses of the link should be covered by the revenues of the PPP arrangement. The ICR also notes that the precise arrangements for interconnecting the link into the broader network will be the responsibility of the new PPP concessionaire. However, given that PPP arrangements are still pending, there is a modest financial risk.



8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank prepared this project based on the experiences from current DRC projects and from other countries where PPP were established in telecommunication projects. Lessons incorporated at design included: (i) open access is essential for the project is to have impact on the sector; and (ii) public investment in backbone infrastructure may be required in environments where no operator has either the capacity or the incentive to invest in disparate links at the national level. The design included a Project Preparation Grant (PPG) of US\$4.0 million for activities associated with establishing the PPP arrangements, identifying the network investments to be funded under the project, and preparing appropriate safeguard instruments. The arrangements made at appraisal for M&E and safeguards and fiduciary compliance were appropriate (discussed in sections 9 and 10).

There were significant shortcomings in Quality-at-Entry. One, the time span of seven months for finalizing the activities associated with the PPG was too short in the country context. Two, there was not adequate consideration of political economy considerations at design. It is not clear if lessons from the earlier CAB projects in Cameroon and Republic of Cameroon were incorporated at design given that these countries had similar political economy contexts. Three, although several risks were identified at appraisal, the mitigation measures proved to be inadequate. For instance, the delays in promulgation of the new telecom Law (a disbursement condition) contributed to the limited disbursements in the earlier years of the project. This also caused delayed in implementing the western link and finally led to the reduction in project scope. There were difficulties in finalizing the PPP arrangements. The selection of the PPP contract took a total of twenty months from the time pre-qualification was launched in July 2020 to when the contract was finally signed in March 2022. There were challenges associated with restructuring of State-owned Congolese Post and Telegraph Company (SPAT).

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

Fourteen supervision missions were conducted during the project lifetime of approximately eight years (implying twice a year mission on average). The formal missions were complemented by close remote support. The supervision team provided technical and relevant policy advice and responded to the Government's request for four restructurings in a timely manner (ICR, paragraph 82). The Bank also took advantage of the first restructuring to partially relax a key legal covenant which allowed for the construction of a new fiber link between Kinshasa and Muanda to proceed. The Bank also provided technical assistance to help the Government in implementing the PPP arrangement. According to the clarifications provided by the team, the continuity of leadership was maintained throughout the project. The leadership was initially based in Washington DC, which then moved to Brazzaville, Ouagadougou and back to Washington DC and finally moved to Kinshasa at the close of the project.

There were moderate shortcomings in supervision. One, recruitment of additional, full time staff technical staff and digital experts early on could have helped in overcoming some of the challenges during implementation. and two, although the Bank team provided written and verbal recommendation to the



Project Implementation unit when issues were noted in fiduciary management, a closer, in-person follow up could have helped in addressing these issues quickly.

In sum, overall Bank performance is assessed as moderately unsatisfactory because of the significant shortcomings at Quality-at-Entry.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The key outcome indicators for this project were the same as the outcome indicators for the regional CAB program and were standard quantitative ones that related to geographical reach, usage, and prices of regional broadband network series. However, the ICR (paragraph 66) notes that in this case, the scale of the project activities was modest in comparison to the ICT and broadband investment needs of the country, and a large amount of private investment in the ICT sector was also taking place at the same time. For example, one of the mobile network operator, Airtel had already invested more than IS\$ one billion in DRC. Therefore, the extent to which the project outcomes were attributable to the project activities is uncertain and probably quite low. However, this was explicitly recognized in the PDO which clearly specified that the project would aid in contributing to the PDOs. The sector's regulator, the Post and Telecommunication Regulatory Authority of Congo (ARPTC) was responsible for collecting the data for monitoring results.

There were some shortcomings in M&E. There were no appropriate indicators for the capacity building activities provided under the project. There was inconsistency in the name of the PDO 2 (price of services) indicator.

b. M&E Implementation

The ICR (paragraph 67) notes that the M&E baseline data and actual values were collected in a methodically sound manner. ARPTC collected the relevant data in the context of its market oversight duties and obtained reliable information directly from the operators.

c. M&E Utilization

The M&E findings were disseminated to the stakeholders by the Project Implementation Unit. The ICR notes that ARPTC continued to collect relevant data beyond the project's closing date.



In sum, M&E is rated as modest as the PDO was not clearly stated, and the attribution of project activities to the defined outcomes was not apparent.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as a Category B (partial assessment) project under the World Safeguard policies, triggering five safeguard policies at appraisal: Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); Physical Cultural Resources (OP/BP 4.11); Indigenous Peoples (OP/BP 4.10); and Involuntary Resettlement (OP/BP 4.12).

Environmental Assessment, Physical Cultural Resources and Natural Habitats. Adverse environmental impacts such as waste management were expected from project activities. These impacts were however expected to be limited and site-specific (PAD, paragraph 78). Since the exact location of activities was not known at appraisal, the Government prepared and publicly-disclosed an Environmental and Social Management Framework (ESMF) for addressing such impacts. The ESMF contained measures for addressing physical cultural resources and natural habitats safeguards (PAD, paragraph 79). The ICR (paragraph 71) notes that an Environmental and Social Management (ESMP) was produced and publicly-disclosed during implementation.

The ICR (paragraph 72) notes most of the actions in the ESMF reports were implemented satisfactorily. However, the project's performance on safeguards was rated as moderately unsatisfactory at closure, due to the one outstanding Occupational Health and Safety (OHS) incident, involving a serious traffic accidents which caused two fatalities. Compensation to the families was still pending when the project closed. The ICR notes that the Bank will continue following up with the recipient on this pending case to ensure its resolution and closing as soon as possible. The team clarified that this case is yet to be resolved. According to the clarifications provided by the team there were no issues with the safeguards on physical cultural resources and natural habitats.

Involuntary Resettlement. The Government prepared and publicly-disclosed a Resettlement Policy Framework (RPF) at appraisal for addressing land acquisition and resettlement issues (PAD, paragraph 79). The ICR (paragraph 71) notes that a Grievance Redress Mechanism (GRM) was created, with 56 complaints registered since the start of the project. The ICR notes that all were dealt with when the project closed.

Indigenous Peoples. The Government prepared and publicly-disclosed an Indigenous People Planning Framework (IPPF) at appraisal for addressing indigenous peoples issues. The team clarified that the project was implemented only in the West Cluster (Kinshasa - Kongo Central). There were no indigenous people in this cluster.



b. Fiduciary Compliance

Financial assessment. An assessment of the financial management arrangements of the implementing agency was conducted at appraisal. The assessment concluded that the financial arrangements including the mitigation measures were adequate for meeting the Bank's requirements. The assessment concluded that the financial risk was assessed as substantial at appraisal.

The ICR (paragraph 74) notes that the financial risk was raised to High during implementation. The financial management was rated as moderately unsatisfactory. The key issues were the low budget execution rate, frequently delayed submission of the Interim Financial Report and qualified audit opinion. The auditor identified ineligible expenses (of US\$1,714,691) and cases of mismanagement of project assets. During another review of supporting documentation randomly selected by the Financial Management specialists, the team identified ineligible expenses of US\$135,843.29. The ICR notes that a formal communication will be send to the Government on the ineligible expenses. The ICR notes that finalization of the audit findings is pending at this stage. The team clarified that the Bank has to date initiated the ineligible expenditure declaration/notification to the Government.

Procurement. The Bank conducted an assessment of the implementing agency's procurement arrangements at appraisal. The assessment concluded that the unmitigated procurement risk was substantial (PAD, page 54).

The ICR (paragraph 75) notes that procurement was rated as satisfactory until January 2020 when it was downgraded to moderately unsatisfactory. This was due to the fact that for the built fiber infrastructure between Kinshasa and Muanda the procedure for recruiting the PPP operator was still in process even at the closing date (although the contract was signed in March 2022). The ICR does not report any case of mis procurement.

c. Unintended impacts (Positive or Negative)

The ICR does not report of any unintended impacts.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	
Quality of M&E	Substantial	Modest	The PDO was not clearly stated, and the attribution of project



activities to the defined outcomes was not apparent.

Quality of ICR --- Substantial

12. Lessons

The ICR draws the following main lessons from the experience of implementing this project, with some adaptation of language.

1. Political economy considerations need to be carefully considered while designing disbursement conditions. It is important to take into account political realities in the country before complex and potentially unimplementable reforms are included as disbursement conditions in an investment project. The imposition of sub-optimal conditions can reduce flexibility and limit implementation options. This may be particularly relevant in fragile environments and in a fast-evolving sector with high private sector participation like the ICT sector.

2. An Investment Project Financing (IPF) may not necessarily be the right vehicle for adopting major sector reforms. The enactment of a new telecom law is subject to many uncertainties beyond the direct control of an investment lending project. Other Bank instruments such as the Development Policy Operations (DPOs) and Disbursement-Linked Indicators (DLIs), may be appropriate for advancing sector reforms.

3. Ideally Bank financing for investments need to be used in areas where commercial incentives are insufficient to attract large-scale private investments. In this project, by the time the link was built, grant funding was used for constructing a long route that was commercially viable.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well-written. It candidly discusses the issues surrounding the promulgation of the new telecom law, which led to the non-completion of many activities. It also candidly discusses the political economy considerations. The theory of change presented in the text is logical and shows clear links between project activities, outputs and outcomes. The evidence provided in the text is adequate to justify the ratings. The ICR draws good lessons from the experience of implementing this project.

There are minor shortcomings. The information provided in the text on compliance with environmental and other safeguards is sparse. The ICR could have provided more information on the continuity of leadership. This information was however subsequently provided by the team.



a. Quality of ICR Rating
Substantial