



West Africa Regional Communications Infrastructure Project - SOP3 (P155876)

WESTERN AND CENTRAL AFRICA | Western and Central Africa | Digital Development Global Practice | IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 10 | ARCHIVED on 27-Jun-2022 | ISR51153 |

Implementing Agencies: Ministry of Transport and Telecommunications, The Republic of Guinea Bissau

Key Dates**Key Project Dates**

Bank Approval Date: 24-Mar-2017

Effectiveness Date: 29-May-2018

Planned Mid Term Review Date: 12-May-2021

Actual Mid-Term Review Date: 14-Jul-2021

Original Closing Date: 31-May-2022

Revised Closing Date: 30-Nov-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Development Objectives of this project are to contribute to increasing the geographical reach of broadband networks, and reducing costs of communication services in the territory of the Recipient, and between the Recipient and ECOWAS countries.

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

No

Components Table

Name

Supporting Connectivity:(Cost \$31.59 M)

Enabling environment for improved connectivity:(Cost \$2.04 M)

Implementation support:(Cost \$1.36 M)

National backbone and Restructuring of GuineTelecom/GuineTel (co-financing)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

Implementation Status and Key Decisions

The team conducted a formal virtual mission from the 14th to the 16th of March 2022. The next mission is planned in September/October 2022. Since the previous ISR, the project has progressed in several key areas; more detail as follows:

- First, the project disbursement rate is 88.61% in June 10, 2022. The construction of the landing station for the ACE submarine cable is completed, and the network and systems checks have been performed and were satisfactory. The only remaining step before the cable becomes operational is to recruit and train the technical team which will oversee the day-to-day operations of the station. To hire the team, the SCGB has decided to recruit a firm to help with the selection of qualified candidates. The ToR for hiring the firm has been elaborated and was approved recently by the board of the SCGB. The confirmation of the hired firm and the hiring of the technical staff are expected to occur in the next 40 days, and the training of the technical staff has been scheduled in early July 2022 (the 12th). The training of the



SCGB technical team by ACE is critical as it is a pre-requisite for the operationalization of the ACE cable, so it is imperative that it be completed successfully ASAP and without any additional delays.

- Second, and regarding the Suro-Antula backbone (to link the submarine cable to the OMVG network), the construction of the backbone is progressing per the schedule and the completion of the works, and the laying of the fiber optic cable are almost complete. The PIU and WB team are working in tantum with the OMVG team to connect the Suro-Antula backbone to the OMVG network which will allow the ACE cable to be connected to several cities (Bissau, Mansoa, Bambadinca and Saithino) as well as to the neighboring countries of Senegal, The Gambia and Guinea. The construction of the backbone is expected to be completed by the end of June and the cable becoming operational soon after, provided the works are cleared by the monitoring and evaluation firm.
- Third, and regarding the restructuring of GuineTelecom/GuineTel, following the consultations held during the last mission with the government around the subject, the GoGB has chosen to hire the IFC as a transaction advisor to support it with the liquidation of 80% of the shares of the incumbent to the private sector. Consequently, the privatization of the incumbent will not be carried under WARCIP.

Finally, the execution of the ongoing technical assistances has progressed much since the last mission:

1. TA to elaborate an ICT strategy for Guinea-Bissau: the TA was concluded, and the strategy report was delivered by the consultant. The Government will continue to develop the document further into a strategy for the ICT sector that is fully aligned with regional standards. The dissemination of the strategy document with the different ICT stakeholders is underway.
2. TA to support the legal and regulatory framework for electronic communication: this activity has sustained some delays but is now on track thanks to successful discussions with the regulator ARN during the last mission in March 2022. The TA is currently progressing and is expected to produce a preliminary report of findings in the coming weeks. The final report is expected to be delivered (and the activity completed) before the project closing date.
3. TA for conducting a taxation study of the telecom sector in Guinea-Bissau: This activity was non-objcted by the bank and is already completed. The report was produced and translated to Portuguese for dissemination, which is currently in progress.
4. TA to conduct the feasibility study for the implementation of an Internet Exchange Point (IXP) in Guinea-Bissau: The completion of this activity is imminent; the report has been finalized and non-objcted by the WB. The consultant is currently discussing some final comments expressed by the WB team in the non-objction email, mainly (i) the regulatory regime that is going to be applied to the IXP once it is delivered and (ii) where the IXP will be hosted and by whom it will be managed.
5. Acquisition and implementation of the IXP: this activity is pending a decision on the hosting and management of the IXP (see 4 above). This needs to be decide as soon as possible considering the project closing date of November 2022. IDA funds have already been allocated to the purchase and installation of the IXP equipment, which will start as soon as the hosting and management of the IXP is decided.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	High	Substantial	Substantial
Macroeconomic	Moderate	Substantial	Substantial
Sector Strategies and Policies	High	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	Moderate	Moderate	Moderate
Other	--	--	--
Overall	High	Substantial	Substantial



Results

PDO Indicators by Objectives / Outcomes

improved quality of service				
► Volume of international traffic: international communications (Internet, Telecoms and Data) per person Kbits per second per person (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.70	17.13	20.30	12.90
Date	31-Dec-2016	31-Dec-2020	31-Dec-2021	30-Nov-2022
Comments:	<p>The Project was declared effective in May 2018. Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated. The End target date was changed to November 2022 to reflect the extension of the closing date.</p>			

improved penetration of service				
► Access to Internet Services (number of subscribers per 100 people) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.60	42.00	66.00	22.00
Date	31-Dec-2016	31-Dec-2020	31-Dec-2021	30-Nov-2022
Comments:	<p>The Project was declared effective in May 2018. Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated. As the submarine cable is not yet operational, the substantial increase in the number of internet subscribers is due to an improvement of the telecom operators backbone.</p>			
► Access to Telephone Services (fixed mainlines plus cellular phones per 100 people) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	72.00	94.00	105.00	82.00
Date	31-Dec-2016	31-Dec-2020	31-Dec-2021	30-Nov-2022
Comments:	<p>The Project was declared effective in May 2018.</p>			



Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated.

As the submarine cable is not yet operational, the substantial increase in the number of internet subscribers is due to an improvement of the telecom operators backbone.

higher affordability of service

► Average monthly price of international wholesale E1 capacity link from Bissau to Europe (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4,000.00	140.00	140.00	169.00
Date	31-Dec-2016	31-May-2020	31-Dec-2021	30-Nov-2022

Comments:

The Project was declared effective in May 2018. Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated. As the submarine cable is not yet operational, the substantial decrease in the number of internet subscribers is due to an improvement of the telecom operators backbone. The value of this indicator has seen a sudden and sharp drop between Q1-2020 and Q2-2020 because Orange which had the most contribution to the value terminated its contract with the E1 provider and switched to a more affordable IP link to cope with the increase in demande.

increased number of beneficiaries

► Direct project beneficiaries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,296,222.00	1,527,480.00	1,728,420.00	1,702,619.00
Date	31-Dec-2016	31-Dec-2020	31-Dec-2021	30-Nov-2022

Comments:

The Project was declared effective in May 2018. Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated.

□ Female beneficiaries (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	51.00	51.00	51.00	51.00
► Grievances registered related to delivery of project benefits that are actually addressed (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	90.00
Date	31-Dec-2016	29-Oct-2021	31-Dec-2021	30-Nov-2022
Comments:	Since the construction of the Suro-Antula backbone has started in January 2022, 14 complaints have been reported by citizens relating particularly to trees damage during excavation works. The PIU has logged these grievances and is currently working to confirm their legitimacy before taking the necessary measures to resolve them.			

Intermediate Results Indicators by Components

Supporting Connectivity				
► Retail Price of Internet Services (per Mbit/s per Month, in US\$) (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	736.00	214.00	86.59	206.00
Date	31-Dec-2016	31-Dec-2020	31-Dec-2021	30-Nov-2022
Comments:	<p>The Project was declared effective in May 2018. Following efforts made by the PIU, ARN has resumed sharing project indicator values in FY21 (in coordination with the telecom operators). However there is significant delay in receiving the values especially from MTN, and some of the provided indicator values are partial and inaccurate calling for more consultation between ARN and the telcos. There has been however significant capacity building exercises with ARN thanks to efforts by the WB project team, which has helped to produce an indicators document with clear definitions of each value and instructions on how the values are calculated. As the submarine cable is not yet operational, the decrease in retail price is due to improvements on the telecom operators backbone.</p>			
► number of operators and ISPs buying capacity from the infrastructure deployed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	31-Dec-2016	29-Oct-2021	31-Dec-2021	30-Nov-2022
Comments:	The ACE submarine cable is not yet operational (excepted to be by April 2020). The construction of the Suro-Antula backbone is to start second week of November 2021.			
► Number of cross border interconnection built (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	1.00	1.00	2.00
Date	31-Dec-2016	29-Oct-2021	31-Dec-2021	30-Nov-2022
Comments:	The ACE submarine cable landed in Suro but is not yet operational (expected in April 2021). The second cross border interconnection point will be built once the submarine cable landing station (in the final preparations) interconnected with the OMVG entry point.			

Enabling environment for improved connectivity				
► Impact on Telecom sector of World Bank Technical Assistance (composite score: 1- low impact to 5-high impact) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	3.00
Date	31-Dec-2016	29-Oct-2021	31-Dec-2021	30-Nov-2022
Comments:	The WB technical assistance was critical to convince the highest authority of Guinea Bissau to delay the publication of the call for tenders pertaining to the sale of State's shares in Guinetelecom/Guinetel. The government is now committed to first finalize a high quality bidding document with the WBG support (UFC or WARCIP).			

Performance-Based Conditions

Data on Financial Performance

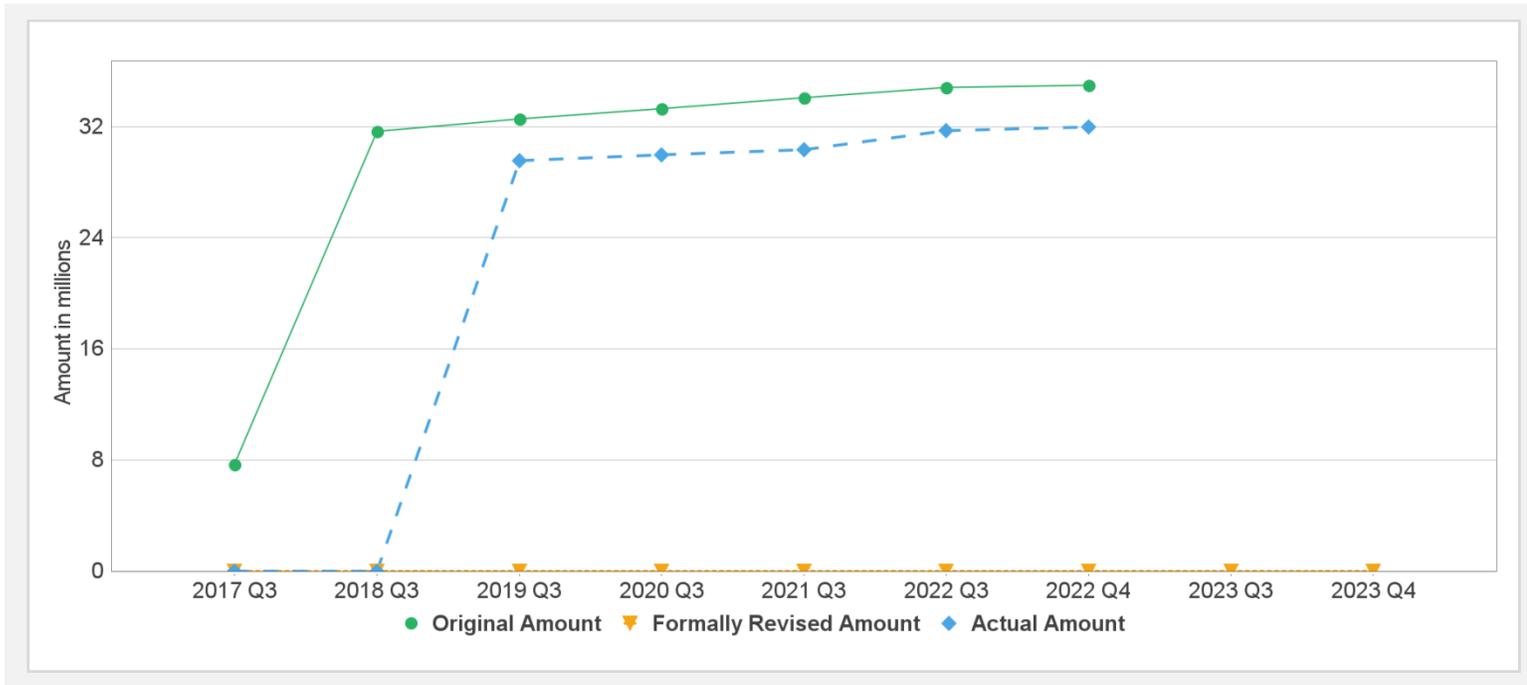
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P155876	IDA-59970	Effective	USD	35.00	35.00	0.00	31.98	4.11	89%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P155876	IDA-59970	Effective	24-Mar-2017	23-May-2017	29-May-2018	31-May-2022	30-Nov-2022

Cumulative Disbursements



Restructuring History

Level 2 Approved on 26-Apr-2022

Related Project(s)

There are no related projects.