



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
WEST AFRICA REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM - APL2  
APPROVED ON MAY 30, 2013  
TO  
REPUBLIC OF TOGO, ISLAMIC REPUBLIC OF MAURITANIA

DIGITAL DEVELOPMENT

AFRICA WEST

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**ABBREVIATIONS AND ACRONYMS**

AF	Additional Financing
FA	Financing Agreement
GoT	Government of Togo
IDA	International Development Association
MS	Moderately Satisfactory
PDO	Project Development Objective
PIU	Project Implementation Unit
SDR	Special Drawing Rights
WARCIP	West Africa Regional Communications Infrastructure Program
WB	World Bank



**BASIC DATA**

**Product Information**

Project ID P123093	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 30-May-2013	Current Closing Date 31-Jan-2022

**Organizations**

Borrower  Republic of Togo, Islamic Republic of Mauritania	Responsible Agency Ministère de l'éducation supérieure, de la recherche scientifique et des TICs (Mauritania), Ministère des Postes, de l'économie numérique et des innovations technologiques (Togo)
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**Project Development Objective (PDO)**

Original PDO

The objectives of each Project are to contribute to increase the geographical reach of broadband networks and to reduce costs of communications services in the territories, respectively, of the Islamic Republic of Mauritania and the Republic of Togo.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-68780	21-May-2021	28-May-2021	24-Jun-2021	31-Jan-2022	11.00	3.35	7.37
IDA-52530	30-May-2013	12-Nov-2013	31-Mar-2014	31-Jan-2022	30.00	25.58	2.66
IDA-52550	30-May-2013	20-Jun-2013	16-Dec-2013	30-Nov-2021	30.00	26.88	1.59



### Policy Waiver(s)

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

No

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### 1. SUMMARY

1. In response to the request from the Government of Togo (GoT) dated January 26, 2022, and received by the Association on January 27, 2022, this restructuring paper seeks to propose a partial cancellation of USD 4.5 million equivalent under the Original IDA Credit 52530-TG and Additional IDA Credit 68780-TG to the Republic of Togo, under the West Africa Regional Communications Infrastructure Program (WARCIP) – APL2 (the Project). The proposed cancellation spans the following two IDA credits: (i) Special Drawing Rights (SDR) 1.60 million (USD 2.2 million equivalent) on the Original IDA Credit 52530-TG; and (ii) EUR 2.04 million (USD 2.3 million equivalent) on the Additional IDA Credit 68780-TG. The total proposed cancellation amount represents around 11 percent of the total IDA credit financing granted to the Togo portion of the WARCIP (which amounts to around USD 39.5 million equivalent at the current exchange rate).
2. The GoT requested the partial cancellation to allow for the recommitment of canceled and unused IDA financing to other purposes that would benefit the Republic of Togo. The Government justifies the cancellation amount as follows: (i) unsuccessful international bidding process to purchase international bandwidth capacity for the Carrier Hotel (under component 1), which was budgeted for USD 1.81 million equivalent; (ii) unsuccessful provision of spectrum management equipment (under component 2), which was budgeted for USD 2.73 million equivalent; and (iii) cancellation of selected technical assistance (TA) under components 2 (USD 0.14 million equivalent) and unused funds associated to various operational costs (USD 0.71 million equivalent). In total, the GoT requested a cancellation that amounts to around USD 5.4 million equivalent. However, due to some overdraws on Category (1) of the Original IDA Credit 52530-TG (in the amount of around USD 0.6 million equivalent), and after considering possible minor fluctuations in the exchange rates (for a maximum amount of around USD 0.3 million equivalent), the World Bank (WB) proposes to settle the total effective cancellation amount to USD 4.5 million equivalent. No other changes are introduced.

### 2. PROJECT STATUS FOR TOGO

3. The WARCIP Project was approved by the Board on May 30, 2013, and the Financing Agreement with the Republic of Togo (Original IDA Credit 52530-TG) became effective on March 31, 2014. The Original IDA Credit amounts to SDR 20.1 million (USD 30.0 million equivalent at the time of the approval; around USD 28.5 million equivalent at the current exchange rate).
4. An Additional Financing (AF) in the amount of EUR 9.4 million (USD 11.0 million equivalent, Additional IDA Credit 68780-TG) was approved by the Board on May 21, 2021 and became effective on June 24, 2021. The AF's purpose



was to finance cost overruns and financing gaps that were deemed crucial to complete the project's activities. The current project's closing date is January 31, 2022.

5. **The Project Development Objective (PDO)** is “to contribute to increase the geographical reach of broadband networks and to reduce costs of communications services in the territories, respectively, of the Islamic Republic of Mauritania and the Republic of Togo.” The WARCIP Project's activities and associated financing pertaining to Mauritania have been completed and closed on November 30, 2021
6. **Project implementation in Togo has faced repeated delays throughout implementation, starting with a 10-month effectiveness delay and followed by a series of crises and challenges that have hit the country over the past several years.** Political tensions in 2017 and 2018 were followed by the recent onslaught of the COVID-19 pandemic, which brought the country to a virtual halt. The combined impact of these challenges has been the intermittent suspension of most economic and social activities and delays in launching key tender processes under the project.
7. **The closing date of the Original IDA Credit for Togo was extended four times and the closing date of the Additional IDA Credit was also extended once:**
  - i. A first restructuring approved on November 22, 2017, encompassed: (i) an adjustment of the disbursement conditions in order to accelerate the processing of large construction contracts; (ii) streamlining of project components (e.g., reducing the number of activities and bundling them where relevant) and reallocation between disbursement categories in order to focus on selected impactful activities; and (iii) due to slow progress in implementation, an 18-month closing date extension – from November 30, 2018, to May 31, 2020.
  - ii. A second restructuring on April 1, 2020, extended the closing date by another five months – from May 31, 2020, to October 31, 2020 (an additional restructuring of the Mauritania portion of the project on June 24, 2020, led to an extension of the closing date for Mauritania to November 29, 2020).
  - iii. A third restructuring on October 30, 2020, extended the closing date by an additional 12 months – from October 31, 2020 to October 31, 2021 (the restructuring also included a twelve-month extension of the closing date for the Mauritania portion of the project from November 29, 2020, to November 30, 2021).
  - iv. A fourth restructuring on October 29, 2021, extended the closing date by an additional 3 months – from October 31, 2021, to January 31, 2022, to allow for the completion of key activities.
8. **Overall, the project has been implemented in a moderately satisfactory manner.** Both the Development Objectives and Implementation Performance ratings of the Togo portion of the WARCIP are moderately satisfactory (MS) due to the unsuccessful bidding process to provide international internet bandwidth capacity to the Carrier Hotel under component 1 (see below). All the activities and procurement are completed, and the closing date does not need to be extended. A status of the main activities is summarized below.
9. **Component 1 (Supporting Connectivity) is rated moderately satisfactory (MS)**
  - The construction of the Carrier Hotel is now completed, and reception of works occurred on January 27, 2022. The Carrier Hotel will provide a secure location to host domestic and regional IT equipment provided by customers and will act as a national/regional hub to buy and resell international bandwidth capacity on Togo's wholesale broadband market.
  - The construction of the Internet eXchange Point (IXP) is completed and currently operational; the IXP is a facility that allows Togolese telecom operators to exchange digital data over their networks.



- In November 2020, the GoT signed and implemented the Public-Private Partnership Agreement (“PPP Agreement”) between: (a) the state-owned enterprise Digital Infrastructure Company (*Société d’Infrastructures Numériques*, SIN), which is a Special Purpose Vehicle established by the GoT in 2016 and that owns the Carrier Hotel; and (b) the selected private partner that will manage the Carrier Hotel on behalf of the SIN.
- The Request for Bids (RFB) for the international internet bandwidth capacity (for an amount of around USD 1.8 million) was not successful. It should be noted that even though the purchase of capacity for the Carrier Hotel did not happen within the WARCIP Togo, the GoT is actively pursuing several options to deliver bandwidth to the Carrier Hotel by taking advantage of the arrival of two additional submarine cables in Togo (a second submarine cable was deployed by the operator Moov Togo – part of the Maroc Telecom Group – and the deployment of a third submarine cable is actively being considered by the GoT).

**10. Component 2 (Creating an Enabling Environment for Connectivity) is rated moderately satisfactory (MS).**

- Under Sub-component 2.1 (TA for the preparation of the management and operationalization of the Carrier Hotel), all TA activities under this sub-component have been successfully finalized in 2017.
- Under Sub-component 2.2 (Addressing policy, market and regulatory bottlenecks to maximize the benefits of the proposed connectivity agenda), the project supported the provision of spectrum management equipment, meant to help the regulatory authorities monitor the efficient use of spectrum resources (budgeted at about USD 2.7 million equivalent). The contract award was notified on April 20, 2021, and equipment delivery was due by the end of October 2021. However, the selected firm informed the GoT in July 2021 that, due to the ongoing global semiconductor chips shortage, the equipment would not be delivered before April 2022, with some possible slippage. Given the fast-approaching project closing date and as this activity was not deemed essential to achieve the PDO, the GoT decided in September 2021 to cancel this activity.
- Under Sub-component 2.3 (Supporting policy priorities in application of the ICT strategy), a consulting firm was recruited in December 2020 to help the GoT elaborate its Togo Digital Strategy 2025 (a strategic study meant to inform accelerated digital transformation in the country in the years to come). The study was completed in November 2021 and included a specific activity to identify recommendations for strengthening the operations of the SIN.

**11. Progress toward achieving the project’s outcomes is well advanced.** Four PDO-related targets have been achieved and the remaining two PDO-level indicators have achieved more than 90 percent of their target at closing date. The progress achieved stems from a combination of regional trends (technology evolution, increased competition, decrease in cost of internet bandwidth) and the enhancement of the digital enabling environment conducive to private sector-led development in Togo, thanks to reforms supported by component 2 of the Project as well as under the First and Second Fiscal Management and Infrastructure Reform Development Policy Financing Operations (P159844 and P166739, respectively). Further competition in international connectivity is expected to increase in 2022 with the arrival of two new submarine cables (in addition to the first one owned by the incumbent operator Togo Telecom).

## II. DESCRIPTION OF PROPOSED CHANGES

12. The proposed restructuring seeks to cancel USD 4.5 million equivalent of unused funds freed by the cancellation of the selected activities discussed in Section I. This would allow for the recommitment of the canceled IDA Credit financing to other purposes that would benefit the Republic of Togo (such as Additional Financing for ongoing operations or new financing that is consistent with the WB’s strategy in support of the country).



13. The proposed cancellation introduces three additional changes: (i) change to components and cost to take into account the cancelled activities; (ii) reallocation between Disbursement Categories for both the Original IDA Credit 52530-TG and Additional IDA Credit 68780-TG (in line with the request by the GoT) to take into account the reduction of the total IDA credit financing granted to the Togo portion of the WARCIP; and (iii) change in the disbursement estimates.

### III. SUMMARY OF CHANGES

	Changed	Not Changed
Components and Cost	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓



Environmental Analysis		✓
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**IV. DETAILED CHANGE(S)**

**COMPONENTS**

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
MAURITANIA - Supporting Connectivity	21.50		MAURITANIA - Supporting Connectivity	21.50
MAURITANIA - Creating an Enabling Environment for Connectivity	5.30		MAURITANIA - Creating an Enabling Environment for Connectivity	5.30
MAURITANIA - Project Implementation	3.20		MAURITANIA - Project Implementation	3.20
TOGO - Supporting Connectivity	29.20	Revised	TOGO - Supporting Connectivity	27.90
TOGO - Creating an Enabling Environment for Connectivity	5.90	Revised	TOGO - Creating an Enabling Environment for Connectivity	3.20
TOGO - Project Implementation	4.40	Revised	TOGO - Project Implementation	3.90
<b>TOTAL</b>	<b>69.50</b>			<b>65.00</b>

**CANCELLATIONS**

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-52530-001	Disbursing	XDR	20,100,000.00	1,600,000.00	28-Jan-2022	18,500,000.00	BORROWER'S REQUEST FOR COUNTRY REASONS
IDA-52550-001	Disbursing	XDR	20,100,000.00	0.00		20,100,000.00	
IDA-68780-001	Disbursing	EUR	9,400,000.00	2,040,000.00	28-Jan-2022	7,360,000.00	BORROWER'S REQUEST FOR





COUNTRY REASONS

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed
IDA-52530-001   Currency: XDR					
iLap Category Sequence No: 1		Current Expenditure Category: WORKS PART 1(a)			
	10,900,000.00	11,320,729.38	10,900,000.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: LEASE OF CAPACITY PART 1(b)			
	1,300,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: GDS CON NON-CN OP MAIN RECUR RES P1			
	1,800,000.00	1,333,344.48	1,800,000.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: GDS CON NON-CN TRN OP Prt 2 &3			
	5,900,000.00	4,881,997.80	5,600,000.00	100.00	100.00
iLap Category Sequence No: 5		Current Expenditure Category: PPF REFINANCING Q798			
	200,000.00	97,334.00	200,000.00		
<b>Total</b>	<b>20,100,000.00</b>	<b>17,633,405.66</b>	<b>18,500,000.00</b>		

IDA-68780-001 | Currency: EUR

iLap Category Sequence No: 1		Current Expenditure Category: WORKS PART 1(a)			
	7,360,000.00	2,887,724.02	7,360,000.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: LEASE OF CAPACITY PT. 1 (b)			



	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: G,C,NC,OC&MAINT,RECUR&RES COSTS PT1			
	680,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: GDS CS NCS TRN & OC Pt 2 &3			
	1,360,000.00	0.00	0.00	100.00	100.00
<b>Total</b>	<b>9,400,000.00</b>	<b>2,887,724.02</b>	<b>7,360,000.00</b>		

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2013	0.00	0.00
2014	3,801,816.00	3,801,816.00
2015	2,011,248.00	2,011,248.00
2016	1,341,475.00	1,341,475.00
2017	2,103,650.00	2,103,650.00
2018	2,556,154.00	2,556,154.00
2019	6,295,671.00	6,295,671.00
2020	14,190,127.00	14,190,127.00
2021	15,000,000.00	15,000,000.00
2022	22,189,856.00	17,689,000.00