

AIDE MEMOIRE
Regional Communications Infrastructure Program (RCIP) Malawi (Credit Number 4602-MAI)
May 11-15, 2015

PROJECT IMPLEMENTATION DATA

Project Data	Project Performance Ratings	
<i>IDA: Original Approved Credit Amt:</i> USD 20m	<i>Summary Ratings:</i>	<u>Last</u> <u>Now</u>
<i>Approval date:</i> June 29, 2009	<i>Achievement of PDO*:</i>	MS MS
<i>Closing date:</i> June 30, 2016	<i>Implementation Progress:</i>	MS MS
	<i>*PDO = Project Development Objectives</i>	
Ratings: HS =Highly Satisfactory; S =Satisfactory; MS =Moderately Satisfactory, MU =Moderately Unsatisfactory, U =Unsatisfactory; HU =Highly Unsatisfactory; NA =Not Applicable; NR =Not Rated		

IMPLEMENTATION PERFORMANCE SUMMARY

1. The total disbursement rate stands at 60.50% (*as of May 12, 2015*) of the total project budget (\$11.51 million of \$19.05 million at current exchange rates), with 100% of funds committed under signed contracts. Per the agreed work program and contract implementation scheduled, the projected disbursements are noted below:

	Actual to Date (May 12, 2015)	Q4 FY15 (June 30, 2015) Projected	Q1 FY16 (Sept 31, 2015) Projected	Q2 FY16 (December 31, 2015) Projected	Q3 FY16 (March 31, 2016) Projected	Q4 FY16 (June 30, 2016) Projected	Q1 FY16 (Sep 30, 2016) Projected
Disb. in Quarter		1.19 m	1.26 m	1.26 m	0.25 m	0.12 m	3.58 m
Total Disb.	11.51m	12.70m	13.96m	15.22m	15.35m	15.47m	19.05m
% Disb.	60.50%	62%	68%	74%	75%	76%	100%

2. Key achievements under the project include drafting and adoption of the public sector ICT standards and guidelines and National ICT policy, provision of internet connectivity and ICT equipment to 145 governmental and educational establishments under the last mile connectivity initiative and commencement of civil works under the international connectivity PPP transaction with completion of phase one on track for June 2015 and phase two in October 2015. Capacity building activities have been completed to support to five institutions, including the PPP Commission, Ministry of Finance, Planning and Economic Development (MoFPE), Ministry of Information, Tourism and Culture (MoITC), the e-Government Department and the Malawi Communications Regulatory Authority (MACRA).

3. Several important challenges remain to be addressed. These include consideration of the revised Communications Act and e-Transactions bills by parliament which has been long delayed, agreeing and executing a plan for distribution of international bandwidth to MDAs, ensuring sustainability connectivity for sites under the last mile connectivity initiative and addressing the financing shortfall due to strengthening of the US Dollar relative to the SDR.

4. In line with project achievements and implementation progress, while noting the considerable challenges to be addressed, **the ratings for progress toward meeting the**

development objective and implementation performance are both maintained as Moderately Satisfactory. If the challenges noted are addressed, an upgrading of the ratings to satisfactory would be warranted.

INTRODUCTION AND ACKNOWLEDGEMENTS

5. The objectives of the RCIP MW supervision mission were to review overall project implementation progress, assess the next steps and to provide technical support to the project team. The mission paid specific attention to: (i) status of implementation of the connectivity contract, including a review of compliance with safeguards instruments; (ii) the status of the draft ICT legislation and overall enabling environment; (iii) refinement of the design and identification of a way forward for the proposed follow-on project, including identification of potential funding mechanisms. The mission was comprised of Casey Torgusson (Operations Officer, AFCRI), Steven Mhone (Procurement Specialist), Trust Chamukuwa Chimaliro (Financial Management Specialist), Annie Jere (Program Assistant), and liaised closely with Doyle Gallegos (Lead ICT Policy Specialist, TTL) and Mavis Ampah (Africa Region ICT Coordinator) from Washington, DC.

6. The mission thanks the Government for their time and contribution to the success of the mission. A copy of the mission program including a list of people/institutions met during the mission is provided in Annex 1.

CONTEXT

7. The primary objective of the project is to support the Recipient's efforts to improve the quality, availability and affordability of broadband internet within its territory for both public and private users. The mode of implementation is for the Government to use its power as a purchaser of international connectivity to stimulate the development of intra-regional connectivity, thereby ensuring that Malawi has access to the submarine cables which have been developed along the East coast of Africa. The project also includes additional support in the overall development of the sector enabling environment and provision of connectivity to targeted public institutions within Malawi.

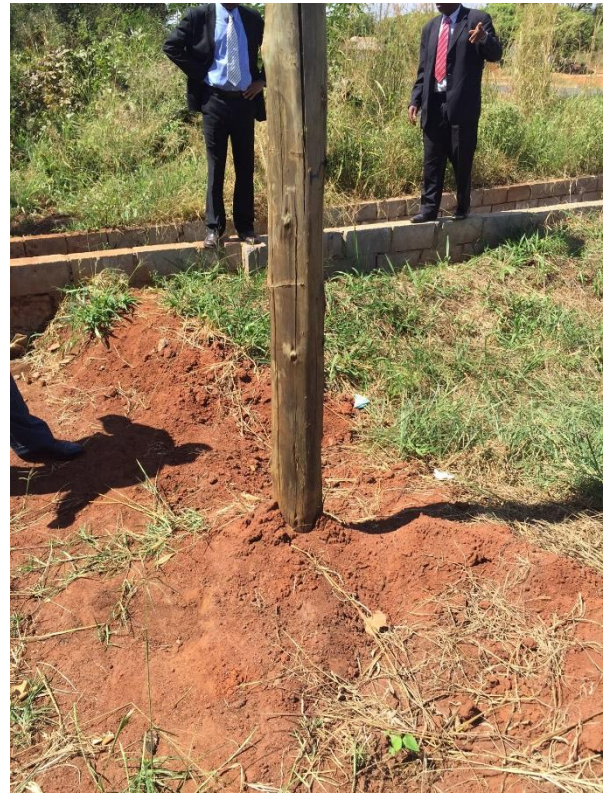
KEY ISSUES AND DISCUSSIONS

Regional Connectivity Public Tender

8. The main component of the RCIPMW project, which represents approximately 50% of the project funds, is the provision of a competitive international capacity link to Malawi under a PPP arrangement. The Contract provides for the supply of an STM-4 (620 Mbps) over a 10-year period to government at a cost of US \$10 million. Measures have been taken in the contract as well as in the operating telecom license to provide similar prices to other customers in the broader market. The selected contractor, SimbaNet, began construction of the network in December 2014, and is on track to complete the western route of the network connecting from the border of Zambia to the Virtual Landing Point (VLP) in Lilongwe by mid-June, 2015. All poles for stringing the fiber along the western route are now in place and the VLP is under construction. Stringing of the fiber is expected to commence shortly. The mission observed some of the poles now in place as well as works ongoing at the VLP (see photos below):



Underground fiber connection to VLP



Newly Installed Pole



Newly Installed Pole



VLP under Construction

9. SimbaNet has also made significant progress on the Northern/Eastern route that will provide international connectivity through Tanzania. Poles covering approximately 200 km of the route have been erected. A resettlement action plan (RAP) is under preparation by the contractor in line with the resettlement policy framework developed during project preparation. The RAP will need to be approved by the Malawi Authorities including the Ministry of Lands, Housing and Urban Development; and the Local Assemblies and Non-Objection issued by the World Bank prior to proceeding with any potential compensation and works in forested areas and rice production areas where local people may rely on these resources to support their livelihoods. Construction is currently on track for completion in October 2015.

10. The e-Government department has conducted a current bandwidth demand assessment of various MDAs. Based on this assessment a preliminary allocation for the SimbaNet bandwidth amongst priority MDAs has been identified. However, arrangements for physical distribution of this capacity to MDAs from the eight drop points and VLP have not yet been agreed and implemented. Resources will be needed to provide these missing links, either by the individual MDAs under stand-alone arrangements or provision for the links will need to be provided centrally through the national budget. **The mission urged the government to urgently complete the consultation process with MDAs and agree and execute the arrangements for linkage to the drop points to ensure that the capacity which will become available in June and October 2015 will be able to be utilized.**

Enabling Environment – Legislation and Policy

11. A second issue is related to the project's support for the development of key legislation fundamental to sector reform and development. The two pieces of legislation include the Revised Communications Act and the e – Transactions Bill. The legislation has been long delayed following initial review by the Ministry of Justice in 2013. The mission was pleased to learn that the e-Transactions bill has now been cleared by cabinet and submitted to Parliament for consideration during the current session. The Revised Communications Act continues to be delayed, but has now been cleared by the Cabinet legal committee, with consideration by the full cabinet expected in the coming weeks, which would allow the legislation to be Gazetted and submitted to Parliament by the end of the current session. The MoITC is planning information sessions for members of the Parliamentary media committee to sensitize them as to the contents and importance of the Revised Communications Act to help facilitate the Parliamentary consideration process. **As this legislation is fundamental to ICT sector development and necessary to enable the full benefits of the RCIPMW, the mission team emphasized the need to do all that is necessary to ensure that the legislation is introduced and voted upon by Parliament as soon as possible.**

Last-mile Connectivity

12. A third issue is related to sustainability of the Last-mile Connectivity component of the project. Through this component the project has provided internet access and ICT equipment to 145 public institutions including regional and district information offices; and schools within the Ministry of Education, Science and Technology with the aim of increasing public access and

use of the internet and electronic services and information. As noted during the previous two missions, project funds supporting internet connectivity subscriptions to the 145 institutions have now been exhausted and alternative means of providing internet access need to be identified or some will remain at risk of shutting down or reducing their utility. The cost of providing internet bandwidth to the sites, under current contract conditions, is about US \$0.4 million per annum. While some centers are expected to become self-sustaining through current revenue streams, others will require government subsidy.

13. A plan sustainability plan was drafted by the RCIP team and is now in the process of being implemented. However, the gap in time between the expiration of the RCIP project supported connectivity and present has left some sites which do not have alternative revenue or funding sources without connectivity. In support of the plan, the Ministry of Education, Science and Technology (MoEST) has agreed to include support for 100 of the sites which located within various schools in their annual budget request. Of the remaining sites, 30 are information offices which are expected to be self-sustaining through revenue generation and adoption of cheaper connectivity options. The remaining 15 sites are telecenters within teacher development centers and technical colleges, of which 8 are considered to be self-sustaining. The MoITC is exploring funding options for the remaining sites, including potentially from the Universal Service Fund which is to be established through the Revised Communications Act and administered by MACRA. **The mission urged the project team and government to confirm that the MoEST has included funding for the secondary schools in its budget, to identify bridge funding for the telecenters which are not currently self-sustaining, and to work with all telecenters and other applicable sites to help them improve their revenue generation and self-sustainability capacity, including by potentially turning over operations to local entrepreneurs.**

Project Financing and Project Close Out Plan

Due to the rise of the US Dollar versus the SDR, the project is facing a significant financing shortfall to cover commitments under signed contracts and to finance project management costs. As agreed, no significant new activities will be undertaken with financing from the project credit and the project needs to put in place a plan for a quick reduction in project staffing and operations expenditures in order to save costs. However, even with these steps the remaining balance on the credit is insufficient to cover existing commitments and successfully supervise the remaining project activities. **The mission team requested that the project identify and carry out cost saving measures with urgency and to identify resources to cover the remaining shortfall.**

Financial Management

14. A review of the performance of the financial management arrangements was conducted during the mission. The specific objectives were to review the continued adequacy of the RCIP FM system for the purposes of (a) confirming that FM arrangements are in place to ensure the funds will continue to be used for the purposes intended in an efficient and economical manner and also that the implementing entity is capable of correctly and completely recording all transactions and balances related to the project; (b) the project's financial reports will continue to be prepared in an accurate, reliable and timely manner; (c) the entity's assets will be safely guarded; and (d) the project will continue to be subjected to auditing arrangements acceptable to the Bank. Issues from the last implementation support supervision were also reviewed.

15. The most recent financial statements have a clean audit opinion and no control and accountability issues were identified. The project is also current on submission of interim financial reports. The main challenge on FM relates to budgeting as the project is now projected to overspend the available credit amount. Significant cuts to staffing and operating costs are recommended to reduce over expenditure. **The project's FM arrangements have been assessed as satisfactory and risk has been rated as moderate.**

Procurement

16. *Procurement.* The performance of procurement under RCIPMW is rated as **Satisfactory**. The mission noted that RCIPMW has carried out its activities with speed and timeliness. The project's procurement plan (a copy of the current procurement plan is attached in Annex 2), is consistently followed for both prior and post procurements. The signed contract for international connectivity needs close monitoring by the PPPC to ensure that the contract is completed as agreed between the parties.

17. *Procurement Capacity.* The RCIPMW team has maintained services of both the Project's Procurement Specialist and the Assistant Procurement Specialist. As most procurement activities are now completed, and given budget shortfalls from the IDA credit, it was recommended to review the procurement staffing financed by the project.

18. *Procurement Planning.* The project has an updated annual Procurement Plan based on agreed Work plans which has been shared with the Bank.

19. *Post Procurement Review (PPR).* The Bank undertook a *PPR review of the project* in April, 2015 and there were no issues as all records were properly completed and there was no indication of fraud or corruption.

20. *Contract Administration.* Based on the PPR which the Bank undertook in April, 2015, contract administration was rated satisfactory as the project had followed the agreed provisions.

21. *Publication of Award of Contracts.* As part of transparency, the project has continued to publish results of awarded contracts in the local media.

Monitoring and Evaluation

Updated monitoring and evaluation figures were not available at the time of the mission (they are collected annually and were last reported in August 2014). However, the mission team requested

that the PPPC update the results framework by end June 2015, to allow for final collection of end project results one year later – June 2016. The mission also requested that special attention is paid to methodology and validity of the data collected, particularly with regard to the retail pricing of internet services.

Safeguards

The mission found that environmental and social safeguards are being closely applied and monitored and the overall safeguards rating is Satisfactory. SIMBANET, PPPC, and the Environmental Affairs Department have institutionalized the environmental and social assessment processes with the Resettlement Policy Framework and Environmental and Social Management Framework as guiding documents. The three agencies have sustained their efforts to incorporate appropriate environmental and social management issues in all project related activities.

However, SIMBANET is constrained by staff and resource limitations, particularly in having dedicated safeguards staff at District level. It is also important that are efforts be made to mobilize the financial resources needed to address monetary compensation foreseen for the project's upcoming phases; notably the stringing of poles and accompanying activities such as tree pruning, tree removal, etc. An expanded account of the mission's findings and recommendations is included in Annex

The additional staff will particularly be needed to conduct the following activities:

- Adequate sensitization and communication activities with the communities being traversed by the network. (To raise the level of awareness and understanding of the project and eventual involvement of community members in the protection of cables/poles against vandalism and other hazards)
- Monitoring the implementation of ESMP/RAP activities in general and particularly the coordination of upcoming activities that will include payment of compensation to populations/households likely to be affected by the stringing of poles. As such, the mission recommends the following actions:

Action	Timeline	Comments
Hiring of staff (Safeguards) at District level or assignment of existing staff to safeguards	Process should be initiated in the shortest delays – August 2015	- The Bank would assist in the drafting of ToRs and in providing safeguards capacity building activities for the staff

Mobilize funds to finance eventual ESMP/RAP activities.	This should ideally be done before the stringing of poles begins – August 2015.	- PPC Program Manager pointed out the need to initiate the necessary administrative procedures to have the funds in place by activity start
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Request for Financial Support

22. In a letter dated April 15, 2014, the Government (Ministry of Finance) sent a request to the World Bank Country Director for Malawi in which additional financial support (estimated at US \$80 million) was requested for a follow on project to RCIPMW I. A continuation of the RCIPMW I would encompass additional national backbone infrastructure to extend the VLP connectivity to remaining districts, local access points, and the installation of several value added e-Government applications and ICT skills building and training. A formal reply sent to the government noted that consideration of the financing request should take place as part of the mid-term review of the country assistance strategy, planned to be completed before end of FY15. The mid-term review process has now been completed and unfortunately the project was not prioritized for funding at this stage, though discussions are ongoing between the World Bank and MoFPE.

STATUS OF PREVIOUSLY IDENTIFIED ACTION ITEMS

23. The status of the previously agreed action items from the November 2014 mission are included below.

	Action Description	Timeframe	Responsible Entity	Status
1	Advanced Payment of \$2 million for SimbaNet Contract	November 30, 2014	SimbaNet/ PPPC	Complete
2	Commencement of Construction Works	December 1, 2014	SimbaNet/ PPPC	Complete
3	MACRA, in coordinating with MoITC to respond to MoJ inquiries on the Revised Communications Act Bill. PPC will assist with organizing a working meeting to bring together all stakeholders and finalize.	November 21, 2014	PPPC/ MACRA / MOITC	Complete
4	Passage of Revised Communications Act Bill and e-Legislation by Parliament	Next sitting of Parliament (likely mid Jan-Feb 2015)	MOITC	Not Completed

5	Revision of project papers for RCIP II (repositioning and prioritization/sequencing of modules)	December 15, 2014	eGov Department/ PPC	Completed
6	Update Handover Plan for Telecenters	November 30, 2014	PPPC	Complete (now must be implemented)
7	Addressing challenges with non self-sustaining telecenter sites with the respective ministries (establish resolution in writing)	December 31, 2014	MoEST, MOITC, PPC	Partially Completed
8	Central government capacity demand assessment (audit of current connectivity arrangements in each ministry) and plan for transition to bulk capacity purchase scheme agreed <u>Next Steps</u> 1.) Complete TORs for the assessment 2.) Transition plan completed/agreed	December 15, 2014 May, 2015 (prior to operation of the VLP)	e-Gov Department (With support of PPC)	Partially completed. (Demand assessment completed, but transition arrangements not yet agreed.)

AGREEMENTS REACHED AND PENDING ACTIONS/NEXT STEPS

24. The priority action items agreed between the Government and the World Bank team during the mission include the following:

	Action Description	Timeframe	Responsible Entity
1	Passage of Revised Communications Act Bill and e-Legislation by Parliament	November, 30, 2015	MoITC, MACRA
2	Finalize and implement plan for distribution of bandwidth from VLP to MDAs	June 30, 2015	e-Government Department
3	Implement sustainability plan for last mile connectivity sites (provision of internet connectivity and maintenance and upgrading of ICT equipment as relevant)	June 30, 2015	MoEST, MoITC, PPC
4	Implement plan to reduce project expenditures in line with resources available and identify resources to cover shortfall	May 31, 2015	PPPC
5	Update results framework indicators	June 30, 2015	PPPC

	Completion of civil works and inauguration of service for the SimbaNet fiber network Western route through Zambia and North/East route through Tanzania	June 30, 2015 and October 31, 2015	SimbaNet, PPPC
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DISCLOSURE

25. The draft Aide-Memoire was shared with the Government of Malawi and the Government has consented to public disclosure of the Aide-Memoire in line with the World Bank's Access to Information Policy.

26. ANNEX 1 MISSIONPROGRAM

THE PUBLIC PRIVATE PARTNERSHIP COMMISSION					
MISSION PROGRAMME FOR THE RCIPMW TASK TEAM LEADER, MR. DOLYE GALLEGOS (11 th – 15 th MAY 2015)					
Date	Time	Name of Institution	Location	Purpose	Counterpart Participants
Monday May 11	09:00 am	• MoI	MoI	• Courtesy Call	PS MoI
	10:30 am	• E-Government Department	E-Government offices	• Courtesy Call • RCIPMW II	PS e-Government
	14:00 pm	• World Bank	World Bank Country Office	• To initiate mission	Country Office Manager/WB Members of staff
Tuesday May 12	09:00 am	• RCIPMW II	e - Government	• To discuss RCIPMW II	PS e-Government
	14: 00 pm	• SimbaNET	SimbaNET Office	• To discuss Regional Connectivity Transaction	SimbaNET Officials
Wednesday May 13	08:30 am	• RCIPMW	World Bank	• To discuss close out processes	Project Staff
	10:30 am	• MACRA	World Bank	• To discuss current sectoral issues	DG
	14:00 pm	• PPPC	World Bank	• Project matters	PPPC and Project Staff
Thursday May 14	09:00 am	• World Bank	World Bank Country Office	• Aide Memoire Drafting	WB
Friday May 15	09:00 am	• MoF	MoF Offices	• Mission wrap - up	All Government Stakeholders

ANNEX 2: MONITORING AND EVALUATION FRAMEWORK UPDATE

ITEM	DESCRIPTION	PAD BASELINE (2009)	PAD YR 2 TARGET (2011)	Actual values				Jul -15 (from MACRA pending finalization of the national ICT survey)
				Mar-10	Jul-11	Jun-12	Aug-14	
1	International Bandwidth	180	200	250	1020	1940	4157	5021
2	Internet User Penetration (%)	0.70%	0.90%	1.20%	2.26%	4.95%	Information currently not available	6.7%
3	Total Teledensity (Both Fixed and Mobile) (%)	12.00%	14.00%	12.50%	24.30%	27.20%	46.00%	38.3%
4	Price of Wholesale International E1 Capacity (US \$)	21,230.00	19,000.00	12,000.00	5,000.00	4,500	2,240	1,750
5	Average Price of Mobile Calls (US \$ per minute)	0.2	0.18	0.17 (on net), 0.28 (off net)	0.34 for on net 0.40 for off net	<i>On net</i> 0.25 peak hrs 0.12 off peak hrs <i>Off net</i> 0.45 peak hrs 0.26 off peak hrs	<i>On net</i> 0.17 peak hrs 0.08 off peak hrs <i>Off net</i> 0.21 peak hrs 0.13 off peak hrs	On net \$0.16 Off net \$0.20
6	Number of Players Accessing Capacity on submarine Cables	0	0	1	3	3	3	4
7	Retail Price of Internet Access (US \$ per month) 128/256 kbps	120	110	US\$400/570	US\$400/570	US\$400/570	US\$150/280	US\$114/220
8	Number of Operational ISPs	12	14	10	12	20	21	20
9	Number of PIAPs	400	500	80		33	59	59

ANNEX 3 – SAFEGUARDS SITE VISIT REPORT

RCIP Malawi

Safeguards site visit report

On June 9th 2015, a team composed of Chimwemwe Matemba (Project Manager - PPPC), Joanna Mbeye (Officer - Environmental Affairs Department), Robert Matengula (Safeguards Specialist - PPPC), Chris Chiumia (Safeguards Specialist at SIMBAMNET), and Boyenge Dieng (Safeguard Specialist at the World Bank) conducted a survey of the following sites:

- *SIMBANET Network Virtual Landing Point at Capitol Hill, Lilongwe*
- *Poles planted along Malawi M12 Road (Lilongwe - Chipata –Zambia)*
- *Poles planted along Malawi M5 Road (Lilongwe – Salima)*

The objective of this survey was twofold: (i) Evaluate the level of application of safeguards measures in a sample of project’s locations and (ii) evaluate the potential social/environmental impacts for current and upcoming activities on communities being traversed by the network.

Site I: SIMBANET Network Virtual Landing Point at Capitol Hill, Lilongwe



Photo 1: Outside view of the site



Photo 2: Inside view of the site

Observations	Comments
Work site is fenced in, clearly marked and Safety measures are observed	<ul style="list-style-type: none"> - All workers wore uniforms, hard hats and other protective gear - The mission was given with hard hats before being allowed on site
Foreman very aware of Banks/Government of Malawi safeguards measures set forth in the ESMP	- Foreman confirmed that site was selected to minimize/avoid negative environmental and social impacts

Site II: Poles planted along Malawi M12 Road (Lilongwe - Chipata –Zambia)



Photo 3: View of a series of poles along the M12



Photo 4: SIMABNET Safeguards Specialist informing some local along the network the nature and purpose of the project

Observations	Comments
Poles are planted within the road reserve	- Cemeteries and other physical cultural resources are avoided by switching pole alignment from one side of the road to the other
Poles are planted away from water bodies/courses to avoid contamination from chemical used to coat the poles	- Communities will need to be informed about the toxicity and the flammability of this chemical
Some communities along the network were	- SIMBANET safeguards specialist described the

unaware of the project	project to some residents of Bua, Mchinji District - This exercise demonstrated the need for additional and sustained sensitization
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Site III: Poles planted along Malawi M5 Road (Lilongwe – Salima)



Photo 5: Pole with a tree that will likely require trimming and compensation



Photo 6: Network crossing a trading center with stores within road reserve

Observations	Comments
Network traverses many trading centers with stores within the road reserve	- These locations will likely see significant compensation activities
Some communities along the network were also unaware of the project	- Need for additional sensitization on this portion as well

Overall Safeguards Rating: Satisfactory

The mission notes with satisfaction that environmental and social safeguards are being closely applied and monitored under RCIPMW. SIMBANET, PPC, and the Environmental Affairs Department have institutionalized environmental and social assessment processes with the Resettlement Policy Framework and Environmental and Social Management Framework as guiding documents. The three agencies have sustained their efforts to incorporate understanding of environmental and social management issues in all project related activities.

However, SIMBANET which is directly involved in implementing ground activities is constrained by staff and resource limitations, particularly in having dedicated safeguards staff at District level to conduct much needed activities inherent to the nature of the project. It is also important that efforts be made to mobilize the financial resources to address monetary compensation foreseen for the project’s upcoming phases; notably the stringing of poles and accompanying activities such as tree pruning, tree removal, etc.

The additional staff will particularly be needed to conduct the following activities:

- Adequate sensitization and communication activities with the communities being traversed by the network. (To raise the level of awareness and understanding of the project and eventual involvement of community members in the protection of cables/poles against vandalism and other hazards)
- Monitoring the implementation of ESMP/RAP activities in general and particularly the coordination of upcoming activities that will include payment of compensation to populations/households likely to be affected by the stringing of poles. As such, the mission recommends the following actions:

Action	Timeline	Comments
Hiring of staff (Safeguards) at District level or assignment of existing staff to safeguards	Process should be initiated in the shortest delays – August 2015	- The Bank would assist in the drafting of ToRs and in providing safeguards capacity building activities for the staff
Mobilize funds to finance eventual ESMP/RAP activities.	This should ideally be done before the stringing of poles begins – August 2015.	- PPC Program Manager pointed out the need to initiate the necessary administrative procedures to have the funds in place by activity start

ANNEX 4 - PROCUREMENT PLAN

THE PUBLIC PRIVATE PARTNERSHIP COMMISSION REGIONAL COMMUNICATION INFRASTRUCTURE PROGRAM

MALAWI PROJECT (RCIPMW)

CREDIT No: MAI 4602

PROJECT No: P111432

REVISION DATE 09 APRIL, 2014

I. General

1. *Project Information*

- Beneficiary: The Government of the Republic of Malawi
- Project Name: Regional Communication Infrastructure Program – Malawi Project(RCIPMW)
- Credit No.: Mia 4602
- Project No: P111432
- Project Implementation Agency(PIA): The Public Private Partnership Commission

2. *Bank Approval Date of the Procurement Plan*

- Initial / Original: 14 May 2009, Revised October 2009

3. *Date of General Procurement Notice:*

- Original - Notice No: WB 3920 of 17 September 2009

4. *Period Covered by this procurement plan*

- October 2009 – June 2016

II. Goods

1. Prior Review threshold: Procurement decisions subjected to Prior Review by the Bank as stated in Schedule 2, Section 3 of the financing Agreement have been revised for most IDA projects including RCIPMW. The review took into account the capacity of the implementing agencies. The following thresholds are now applicable to RCIPMW.

Expenditure Category	Procurement Method	Prior Review Contract Value Threshold(US\$)	Contract Subject to Prior Review
1 Works	ICB	>=5,000,000	All Contracts
	NCB	>=1,000,000- <5,000,000	None
	Shopping	<1,000,000	None
	Direct Contracting	All Values	All Contracts

2.Goods and Non Consulting	ICB	>=1,000,000	All Contracts
	NCB	>=200,000 <1,000,000	None
	Shopping	<200,000	None
	Direct Contracting	All Values	All Contracts

2. *Any other Special Procurement Arrangements: Not Applicable*

3. *Procurement Packages with Methods and Time Schedule*

GOODS

Ref No.	Contract (Description)	Estimated Cost	Procurement Method	P – Q (yes/No)	Domestic Preference (yes/no)	Review By Bank (Prior / Post)	Call for Bids	Expected Bids Opening Date	Award Contract	Completion of the Contract	Status
1.	Procurement of Communication and Promotional materials	100,000	Shopping	No	N/A	Post	01/09/2012	30/09/2012	30/10/2012	As per contract	In Progress
2.	Procurement of Project Vehicles	140,000	Shopping	No	N/A	Post	01/10/2009	15/11/2009	31/01/2010	As per contract	Successfully Completed
3.	Office Furniture & Fittings	10,000	Shopping	No	No	Post	01/12/2010	31/12/2010	30/01/2011	On Delivery	Successfully Completed
4.	Tender to supply and install Security Door Access System to the PC / RCIPMW offices	20,000	Shopping	No	No	Post	01/01/2011	31/01/2011	28/02/2011	On delivery	Successfully Completed
5.	Data and Financial safe storage items (External Disk drives, Big fire proof Safe)	15,000	Shopping	No	No	Post	01/12/2010	31/12/2010	31/01/2011	On delivery	Successfully Completed
6.	Vehicle for PC	70,000	Shopping	No	No	Post	01/08/2010	15/09/2010	31/10/2010	As per contract	Successfully Completed
7.	Office Refurbishment	15,000.00	Shopping	No	No	Post	01/08/2011	31/08/2011	31/09/2011	As per contract	Successfully Completed
8.	Office Furniture & Fittings	8,000	Shopping	No	No	Post	01/11/2011	31/11/2011	30/12/2011	On delivery	Successfully Completed
9.		45,000	Shopping	No	No	Post	15/02/2013	15/03/2013	15/04/2013	On Delivery of Goods	In Progress (On-going)

	Procurement of Office ICT Equipment (Laptops, Printers)										
10.	Computer Server for the PC / RCIPMW	32,000	Shopping	No	No	Post	01/12/2010	31/12/2010	30/01/2011	On delivery	Successfully Completed

III. Non-consulting services

1. Prior Review threshold: Procurement decisions subjected to Prior Review by the Bank as stated in Schedule 2, Section 3 of the financing Agreement have been revised for most IDA projects including RCIPMW. The review took into account the capacity of the implementing agencies. The following thresholds are now applicable to RCIPMW.

Expenditure Category	Procurement Method	Prior Review Contract Value Threshold(US\$)	Contract Subject to Prior Review
1 Works	ICB	>=5,000,000	All Contracts
	NCB	>=1,000,000- <5,000,000	None
	Shopping	<1,000,000	None
	Direct Contracting	All Values	All Contracts
2.Goods and Non Consulting	ICB	>=1,000,000	All Contracts

	NCB	$\geq 200,000 < 1,000,000$	None
	Shopping	$< 200,000$	None
	Direct Contracting	All Values	All Contracts

1. *Any other Special Procurement Arrangements: Not Applicable*

2. *Procurement Packages with Methods and Time Schedule*

NON CONSULTANCY (TELECOM) SERVICES

Ref No.	Contract (Description)	Estimated Cost	Procurement Method	P – Q (yes/No)	Domestic Preference (yes/no)	Review By Bank (Prior / Post)	Call for Bids	Expected Bids Opening Date	Award Contract	Completion of the Contract	Status
1.	Recruitment of a Private Partner for the Provision of regional fibre connectivity	10,000,000	ICB	YES	No	Prior	01/09/2012	31/10/2012	31/12/2012	As per Contract	Contract awarded and implementation is in progress
2.	Last Mile Connectivity Phase I, Supply of broadband connectivity to targeted Malawian Institutions.(TDC and Technical Colleges). The tender will also cover the supply of various ICT equipment and networks to the institutions (ICT equipment such as printers, computers, LAN, fax machines, scanners, etc)	450,000	NCB	No	No	Post	18/04/2011	03/06/2011	17/08/2011	30/06/2013	Successfully Completed
3.	Last Mile Connectivity Phase II, Supply of broadband connectivity to targeted Malawian Institutions (District Information Offices and central information office.) The tender will also cover the supply of various ICT equipment, Presentation equipment and networks to the institutions (ICT equipment such as printers, computers, LAN, fax machines, scanners, etc)	480,000	NCB	No	No	Post	07/06/2012	09/07/2012	10/08/2012	30/11/2013	Successfully Completed

Ref No.	Contract (Description)	Estimated Cost	Procurement Method	P – Q (yes/No)	Domestic Preference (yes/no)	Review By Bank (Prior / Post)	Call for Bids	Expected Bids Opening Date	Award Contract	Completion of the Contract	Status
4.	Last Mile Connectivity Phase III, Supply of broadband connectivity to targeted Malawian Institutions (Selected Secondary Schools). The tender will also cover the supply of various ICT equipment and networks to the institutions (ICT equipment such as printers, computers, LAN, fax machines, scanners, etc)	600,000	NCB	No	No	Post	16/01/2013	13/02/2013	01/07/2013	As per Contract (Several contracts will be issued out to different bidders)	All the equipment was delivered and the provision of bandwidth is in progress.
5.	Development of a virtual landing point in Malawi	500,000	NCB	YES	NO	Post	01/01/2013	01/03/2013	01/05/2013	As per contract	Being implemented by the Private Partner
6.	TOMPRO Accounting Software	9,500	Direct Contracting	No	No	Prior	29/09/2009	15/10/2009	31/10/2009	As per Contract	Successfully Completed
7.	Provide Internet Bandwidth to GWAN	450,000	NCB	No	N/A	Post	01/10/2012	30/10/2012	30/11/2012	On Delivery	Successfully Completed
8.	ICT Software upgrades and Licensing (Projects 2007 License, Windows Server 2008 Operating Systems, Acrobat Professional software, Ms Office 2007)	30,000	Shopping	No	No	Post	01/11/2010	30/12/2010	30/01/2011	On delivery	Successfully Completed
9.	Provision of internet bandwidth to the PC /RCIPMW	30,000	Shopping	No	No	Post	01/02/2011	31/02/2011	30/03/2011	As per Contract	Successfully Completed

Ref No.	Contract (Description)	Estimated Cost	Procurement Method	P – Q (yes/No)	Domestic Preference (yes/no)	Review By Bank (Prior / Post)	Call for Bids	Expected Bids Opening Date	Award Contract	Completion of the Contract	Status
10.	PC/RCIPMW website redesigning and development	15,000	Shopping	No	No	Post	01/01/2011	31/01/2011	28/02/2011	As per Contract	Successfully Completed
11.	Provide Internet Bandwidth to GWAN	220,000	NCB	No	N/A	Post	01/10/2013	30/10/2013	30/11/2013	On Delivery	Contract Awarded and Provision of Bandwidth in Progress

IV Selection of Consultants:

1. *Prior Review Threshold:* Selection of Consultants decisions subject to Prior Review by Bank as stated in Schedule 2 , Section 3 of the Financing Agreement. The revised schedule are as follows:

PROCUREMENT METHODS FOR SELECTION OF CONSULTANTS

Expenditure Category	Procurement Method	Prior Review Contract value (Threshold) US\$	Contract Subject to Prior Review
3 Consultants (a) Firms	QCBS	>=200,000	All Contracts
	CQS, LCS, QBS, FBS	<200,000	First Contact
	SSS	>=1,000	All Contracts
(b) Individuals	IC	>=100,000	All Contracts
	SSS	>=1,000	All Contracts

2. *Short List Comprising Entirely of National Consultant:* Short list of consultants for services, estimated to cost less than US\$ 200,000 equivalent per contract, may comprise entirely of national consultants in accordance with the provision of section 2.7 of the Guidelines on Selection and Employment of Consultants by World Bank Borrowers, May 2004, Revised October 1, 2006.

3. *Any Other Special Selection Arrangement:* Not Applicable

4. Consultancy Assignment with Selection Methods and Time Schedule:

CONSULTANCY ASSIGNMENTS

Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
1	Project Manager	497,000	IC	Prior	15/04/2009	01/06/2009	15/07/2009	30/07/2009	30/07/2009	01/08/2009	Done (Initial recruited under BESTAP(P103773))
2	Recruitment of Technical Specialist	350,000	IC	Prior	15/01/2011	01/03/2011	15/04/2011	30/04/2011	30/05/2011	01/06/2011	Done
3	Projects Procurement Specialist	401,000	SS	Prior	NA	NA	NA	NA	NA	01/12/2009	Done
4	Financial Management Specialist	384,000	SS	Prior	NA	NA	NA	NA	NA	01/12/2009	Done
5	Recruitment of Support Staff (Driver, Office Assistant, Program Assistant, Project Assistant Secretary)	400,000	IC	Post	15/09/2009	01/11/2009	15/12/2009	30/12/2009	30/12/2009	01/01/2010	Done (Various small contracts)
6	Recruitment of In-house Counterpart Advisor on task order basis to review project deliverables and provide adhoc advice	200,000	IC	Prior	15/02/2010	01/04/2010	15/05/2010	31/05/2010	30/06/2010	01/07/2010	Done but was extended to the project end

Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
7	<p>Recruitment of Transaction Advisor to do the following:</p> <ul style="list-style-type: none"> - Tender design and legal aspects of the International Connectivity to lay fibre optical cable from the coast to Lilongwe. - Draft Contract for network provider and VLP developer - Contract negotiations for network provider and VLP developer 	1,250,000	QCBS	Prior	15/09/2010	01/11/2010	30/01/2011	15/02/2011	30/02/2011	01/03/2011	Finalization is in Process
8	Recruitment of Consultant to conduct a detailed feasibility study for the regional connectivity component and the virtual landing point. The study will cover all financial, technical, economic and legal elements.	250,000	QCBS	Prior	15/08/2010	01/10/2010	15/11/2010	30/11/2010	15/12/2010	01/12/2010	Successfully Completed

Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
9	Recruitment of consultant: 1. To draft e-legislation covering such areas as Cybercrime, Digital Signatures, Data Protection etc. 2. To review the outcome of the exercise to formulate new ICT law currently being undertaken by MACRA. 3. To undertake legislation draftsman responsibilities associated with the paragraph 1. And 2.	500,000	QCBS	Prior	15/10/2010	01/12/2010	15/12/2010	30/12/2010	30/01/2011	01/03/2011	Successfully Completed
10	Recruitment of consultant to independently conduct a security audit of the Government Wide Area Network (GWAN)	100,000	QCBS	Post	15/05/2010	01/07/2011	15/08/2011	30/08/2011	30/09/2011	01/11/2011	To be implemented during the successor project
11	Recruitment of consultant to draft new ICT policy for the civil service in Malawi. The policy will cover among several, access, security. In addition the study will include functional and strategic review for DISTMS	100,000	QCBS	Post	15/06/2010	01/08/2010	15/10/2010	30/10/2010	15/12/2010	01/01/2011	Successfully Completed

Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
12	Recruit a consultant to carry EIAs, Formulate RAP, Environmental and Resettlement Impact Assessment and Mitigation	100,000	QCBS	Post	15/01/2011	01/03/2011	15/05/2011	30/05/2011	30/06/2011	01/08/2011	To be implemented by the Private Partner
13	Recruitment of a consultant to develop local environmental, health and safety regulations in the telecom sector in Malawi	100,000	QCBS	Post	15/09/2010	01/11/2010	15/01/2011	30/01/2011	30/02/2011	01/04/2011	To be implemented by the Private Partner
14	Financial Audit Consultant	100,000	LCS	Post	01/10/2009	01/11/2009	15/01/2010	30/01/2010	30/01/2010	15/02/2010	Successfully Completed
15	Recruit Communications Consultant firm for RCIPMW/PC	70,000	CQS	Post	15/11/2010	01/01/2011	15/03/2011	30/03/2011	30/03/2011	15/04/2011	Successfully Completed
16	Recruit Project Accountant for RCIPMW	90,000	IC	Post	15/03/2011	01/06/2011	15/07/2011	30/07/2011	30/08/2011	15/09/2011	Successfully Completed
17	Recruit Project Monitoring and Evaluation Consultant for the RCIPMW project	90,000	IC	Post	15/04/2011	01/06/2011	15/07/2011	30/07/2011	30/08/2011	15/09/2011	Successfully Completed
18	Recruit of Assistant Procurement Specialist	90,000	IC	Post	15/10/2011	01/12/2011	15/01/2012	30/01/2012	30/02/2012	15/03/2012	Successfully Completed
19	Recruitment of PIU BESTAP Manager	58,925	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/02/2012	(Done) For a period of 5 months

Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
20	Recruitment of Financial Management Specialist for BESTAP	22,722	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/02/2012	(Done) For a period of 5 months
21	Recruitment a of BESTAP ICT Specialist	10,854	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/02/2012	(Done) For a period of 2 months
22	Recruitment of BESTAP Legal Reform Specialist	28,851	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/02/2012	(Done) For a period of 5 months
23	Recruitment of BESTAP Business Reform Specialist	26,174	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/02/2012	(Done) For a period of 5 months
24	Recruitment of BESTAP Private Public Dialogue Forum Coordinator	4,618	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/03/2012	(Done) For a period of 1 month
25	Recruitment of BESTAP Private Public Dialogue Economist	3,898	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/03/2012	(Done) For a period of 1 month
26	Recruitment of BESTAP Business Growth Scheme Advisor	15,839	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/03/2012	(Done) For a period of 4 months
27	Recruitment of BESTAP Investor Roadmap Surveyor	6,998	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/03/2012	Successfully Completed
28	Recruitment of BESTAP Impact Assessment Consultant for the Business Growth Scheme	25,256	SS	Prior	N/A	N/A	N/A	N/A	N/A	01/03/2012	Successfully Completed

29	Recruitment of BESTAP Audit Services for Financial Years 2011/2012	29,278	SS	Prior	N/A	N/A	N/A	N/A	N/A	03/09/2012	(Done) 3 Weeks
Ref No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Issuance of Expression of Interest	Finalize shortlist and issue RFP	Expected Proposal Submission	Complete Technical Evaluation	Complete Financial Proposal	Negotiate and Award Contract	Status
30	Recruitment of the consultant to conduct pre-feasibility study for the Malawi Broadband fibre optic backbone	75,000	SS	Prior	N/A	NA	September 2012	October 2012	N/A	26092012	Done
31	Recruitment of In-house Environmental Specialist / Advisor on task order basis to review Environmental Project deliverables by the Private Part and provide ad hoc advice	95,000	IC	Prior	03/04/2014	13/05/2014	10/06/2014	27/06/2014	11/07/2014	31/07/2014	Contract Awarded and the consultant commenced provision of the service

IV. Implementing Agency Capacity Building Activities

No.	Expected Outcome / Activity Description	Estimated Cost(US\$)	Estimated Duration	Start Date	Comments
A	COMPONENT ONE: ENABLING ENVIRONMENT				
1.1	Capacity Building and Advisory support to Sector Agencies				
1	Conducting / holding Cross Border meetings with Tanzania, Kenya, Burundi, Mozambique on regulatory and other project cross border related issues	100,000	On going	Nov 2010	To facilitate international connectivity which will require Malawi's fibre optical cable to pass through other countries territories. Several meeting will be held throughout the project.
2	Conducting / holding meetings/workshops for ICT legislation with stake holders	100,000	July 2011 – Aug 2013	July 2011	
3	Conducting consultation meetings with selected civil servants in connection with GWAN audit consultancy.	20,000	Jan 2011– Feb 2013	Jan 2011	

	Expected Outcome / Activity Description	Estimated Cost(US\$)	Estimated Duration	Start Date	Comments
4	Holding ICT Civil Service Policy consultation and awareness workshops and meetings	60,000	Mar 2011	Mar 2011	
5	Knowledge gathering visits (study tours) to institutions that have advanced licensing, regulatory and legislation practices in the region and abroad (by MICE, MACRA PC).	100,000	Dec 2010–Mar 2012	Dec 2010	
6	Staff training for MACRA	180,000	Various /On going	July 2010	
7	Staff training for MICE / DISTMS	165,000	Various /On going	July 2010	
8	PC Staff attending invited World Bank Seminars / Workshops	45,000	Various /On going	August 2010	
9	Staff Training for MoF	100,000	Various /On going	July 2010	
10	Conducting decision makers symposium to facilitate the acceptance and adoption of various policies and policies of legislation	100,000	On going	Nov 2010	Several meetings are to be held and some started early this year with the task force members

	Expected Outcome / Activity Description	Estimated Cost(US\$)	Estimated Duration	Start Date	Comments
11	Staff Training for PC	250,000	Various on-going (July 2010 - June 2012)	July 2010	
1.2	Environmental, Social and Resettlement Activities				
1	Consultation meetings for ESMF, RPF and Environmental Guidelines Consultancies with stake holders	150,000	Nov 2011	Nov 2011	
1.3	Communication Activities for the Project				
1	Holding meetings with interested groups such as ISPs, NGOs, Civil Society etc	60,000	Jan 2011	Jan 2011	
B	COMPONENT TWO: CONNECTIVITY				
C	COMPONENT THREE: PROJECT MANAGEMENT				
1	Training for project Staff	257,000	Various On-going (July 2010 June 2013)	July 2010	

2	Project staff Attending World Bank Workshops / Seminars	30,000	Various / On going	Jan 2011	
3	RCIPMW Project Staff Individual Consultancies	1,962,000	Various	Dec 2009	
	TOTAL	3,679,000			