

Document of
The World Bank

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Report No: 48434 – AFR

PROGRAM APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT
IN THE AMOUNT OF SDR 13.5 MILLION
(US\$ 20 MILLION EQUIVALENT)

TO THE REPUBLIC OF MALAWI

PROPOSED CREDIT
IN THE AMOUNT OF SDR 20.9 MILLION
(US\$ 31.0 MILLION EQUIVALENT)

TO THE REPUBLIC OF MOZAMBIQUE

PROPOSED CREDIT
IN THE AMOUNT OF SDR 67 MILLION
(US\$100 MILLION EQUIVALENT)

TO THE UNITED REPUBLIC OF TANZANIA

IN A TOTAL OF SDR 101.4 MILLION FOR APL3
(US\$ 151MILLION EQUIVALENT)
OF A US\$424 MILLION EQUIVALENT
REGIONAL ADAPTABLE PROGRAM LOAN
FOR THE
REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM

June 4, 2009

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CURRENCY EQUIVALENTS

(Exchange Rate Effective 30 April 2009 for Malawi, Mozambique, and Tanzania)

Currency Unit = Malawi Kwacha (MKw)
MKw 140.5 = US\$1
US\$ 1.4881 = SDR 1

Currency Unit = New Mozambique Metical (MZN)
MZN 27 = US\$1
US\$ 1.4881 = SDR 1

Currency Unit = Tanzanian Shilling (TSH)
TSH 1,326 = US\$1
US\$ 1.49 = SDR 1

FISCAL YEAR Mozambique
January 1 – December 31

FISCAL YEAR Tanzania and Malawi
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

ADSL	Asymmetric Digital Subscriber Line
AFD	<i>Agence Française de Développement</i> (French Development Agency)
AfDB	African Development Bank
APL	Adaptable Program Loan
BP	Bank Procedures
CAS	Country Assistance Strategy
COMESA	Common Market for Eastern and Southern Africa
DBSA	Development Bank of South Africa
DFID	Department for International Development, United Kingdom
DO	Development Objective
EASSy	Eastern Africa Submarine System
EIB	European Investment Bank
EMP	Environmental Management Plan
ESMF	Environmental and Social Management Framework
EU	European Union
GNI	Gross National Income
GP	General Policies
IBRD	International Bank for Reconstruction and Development

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ICT	Information and Communications Technology
IDA	International Development Association
IFC	International Finance Corporation
IRU	Indefeasible Right of Use-agreements
ISP	Internet Service Provider
ITU	International Telecommunication Union
IXP	Internet Exchange Points
M&E	Monitoring and Evaluation
MACRA	Malawi Communications Regulatory Authority
MCST	Ministry of Communication, Science, and Technology
MCT	Ministry of Science and Technology
MEGCIP	Mozambique eGovernment and Communication Infrastructure Project
MICE	Ministry of Information and Civic Information Education
MTC	Ministry of Transport and Communication
NEPAD	New Partnership for Africa's Development
OP	Operational Policy
OPN	Operational Policy Note
PAD	Project Appraisal Document
PC	Privatization Commission
PDO	Project Development Objectives
PIM	Project Implementation Manual
PO-PSM	President's Office – Public Service Management
PPA	Project Preparation Advance
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	Public Private Partnership
PSRP	Poverty Reduction Strategy Paper
PSRP II	World Bank's Public Sector Reform Project II
QEA8	Quality at Entry Assessment, 8th cycle
RAP	Resettlement Action Plan
RCIP	Regional Communications Infrastructure Program
RCIP Tanzania	Tanzania Communications Infrastructure and eGovernment Project
RCIPMW	Regional Communications Infrastructure Project Malawi Project
RPF	Resettlement Policy Framework
RVP	Regional Vice Presidency
SADC	Southern African Development Community
SIDA	Swedish International Development Agency
US	United States of America
US\$	United States Dollars

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AFRICA - Regional Communications Infrastructure Program (RCIP) APL3

PROGRAM APPRAISAL DOCUMENT

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MALAWI TECHNICAL ANNEX I
Regional Communications Infrastructure Program – Malawi Project (RCIPMW)

MOZAMBIQUE TECHNICAL ANNEX II
Mozambique eGovernment and Communications Infrastructure Project (MEGCIP)

TANZANIA TECHNICAL ANNEX III
Tanzania Communications Infrastructure and eGovernment Project (RCIP TANZANIA)

AFRICA

REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM – APL3

PROJECT APPRAISAL DOCUMENT

AFRICA

CITPO

Date: June 4, 2009	Team Leader: Doyle Gallegos
Country Director: Richard G. Scobey	Sectors: Telecommunications
Sector Manager/Director: Philippe Dongier	(60%);Information technology (20%);General information and communications sector (20%)
	Themes: Infrastructure services for private sector development (33%);Regional integration (33%);Administrative and civil service reform (17%);Other environment and natural resources management (17%)
Project ID: P111432	Environmental screening category: Partial Assessment
Lending Instrument: Adaptable Program Loan	

Project Financing Data			
[] Loan [X] Credit [] Grant [] Guarantee [] Other:			
For Loans/Credits/Others:			
Total Bank financing (US\$m.): 151.00			
Proposed terms: Malawi (40 years, 10 year grace period), Mozambique (40 years, 10 year grace period), Tanzania (40 years, 10 year grace period)			
Financing Plan (US\$m)			
Source	Local	Foreign	Total
BORROWER: Republic of Malawi			
International Development Association (IDA)	5.30	14.70	20.00
Total:	5.30	14.70	20.00
BORROWER: Republic of Mozambique			
International Development Association (IDA)	5.40	25.60	31.00
Total:	5.40	25.60	31.00
BORROWER: United Republic of Tanzania			
International Development Association (IDA)	13.00	87.00	100.00
Total:	13.00	87.00	100.00
Total APL3:	23.70	127.30	151.00

Borrower: Republic of Malawi (RCIPMW), Republic of Mozambique (MEGCIP), United Republic of Tanzania (RCIP Tanzania),
Responsible Agency: Malawi Privatization Commission, Mozambique Ministry of Science and Technology, Tanzania Ministry of Communications, Science, and Technology

Estimated disbursements (Bank FY/US\$m)									
FY	2010	2011	2012	2013	2014	2015			
Malawi Annual	1.59	2.74	5.03	7.79	2.85				
Mozambique Annual	1.20	3.40	6.40	8.40	7.30	4.30			
Tanzania Annual	1.50	3.50	10.00	20.00	40.00	25.00			
Total Program Countries	4.29	9.64	21.43	36.19	50.15	29.30			
Cumulative	4.29	13.93	35.36	71.55	121.70	151.00			
Project implementation period: Start June 25, 2009 End: August 31, 2014									
Expected effectiveness date: October 15, 2009									
Expected closing date: February 28, 2015									

Does the project depart from the CAS in content or other significant respects? ☐ Yes ☒ No
Ref. PAD I.C.

Does the project require any exceptions from Bank policies?
Ref. PAD IV.G. ☐ Yes ☒ No

Have these been approved by Bank management? ☐ Yes ☐ No

Is approval for any policy exception sought from the Board? ☐ Yes ☒ No

Does the project include any critical risks rated "substantial" or "high"? ☒ Yes ☐ No
Ref. PAD III.E.

Does the project meet the Regional criteria for readiness for implementation? ☒ Yes ☐ No
Ref. PAD IV.G.

Project development objective **Ref. PAD II.B., Technical Annex 3**

Project development objectives for RCIP 3 are similar to the RCIP Program, and all projects under RCIP have one to two of the following development objectives, depending of the individual Government's request: (i) to contribute to lower prices for international capacity and to extend the geographic reach of broadband networks and (ii) to contribute to improved Government efficiency and transparency through eGovernment applications. The project objectives of the individual countries are as follows:

(a) Malawi Project Development Objective

To support the Recipient's efforts to improve the quality, availability and affordability of broadband within its territory for both public and private users.

This will be done by using the Government's 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 are due to land along the East coast of Africa during 2009-

10.

(b) Mozambique Project Development Objective

To support the Recipient's efforts to contribute to lower prices for international capacity and extend the geographic reach of broadband networks and to contribute to improved efficiency and transparency through eGovernment applications.

(c) Tanzania Project Development Objective

To support the Recipient's efforts to (i) lower prices for international capacity and extend the geographic reach of broadband networks; and (ii) improve the Government's efficiency and transparency through eGovernment applications.

Project description [one-sentence summary of each component] Ref. PAD II.D., Technical Annex 4

The proposed World Bank Operation under the Regional Communications Infrastructure Program (RCIP) aims at assisting East and Southern Africa (E&SA) countries to implement a strategy of effective regional connectivity and increased government efficiency through the use of this connectivity, by (i) offering technical assistance to promote further sector liberalization and to resolve market efficiency gaps, (ii) leveraging private investment in the deployment of regional and national backbone infrastructure, as well as rural networks through public private partnership (PPP) arrangements and capacity purchase, and (iii) leveraging the infrastructure to increase government efficiency and transparency through the selective deployment of key e-Government services.

The third phase of the RCIP (proposed for IDA financing) will take the form of three Regional Communications Infrastructure Projects (Malawi Regional Communications Infrastructure Project-RCIPMW, Mozambique eGovernment and Communications Infrastructure Project-MEGCIP, and Tanzania Communications Infrastructure and eGovernment Project-TCIEP), with a combined IDA volume of US\$151.00 million.

1. The RCIP Malawi project will have 3 components:

Component 1: - Enabling Environment (US\$2.0 million). This component will provide support to the overall enabling environment for the project. This includes project-specific activities and general support for the sector.

Component 2: - Connectivity (US\$14.5 million). This component will support regional and international connectivity in Malawi.

Component 3: - Project Management (US\$2 million). This component will consist of support to finance project management related issues: (a) a Project Manager; (b) a Technical Expert; (c) a Procurement Specialist; (d) a Financial Management Specialist; (e) office equipment; (f) audits; and (g) other operating expenses.

2. The MEGCIP project (Mozambique) will have 4 components:

Component 1: - Enabling environment (US\$3.23 million): This component will provide technical capacity building and advice to the key agencies of government having a direct role in the project. These agencies include the Ministry of Science and Technology (MCT), the Ministry of Transport and Communication (MTC), the ICT Policy Implementation Technical

Unit (UTICT), and the Mozambique National Institute of Communications (INCM, the communications regulator).

Component 2: - Connectivity (US\$14.6 million): This component will support connectivity in Mozambique.

Component 3 – eGovernment (US\$10.40 million). This component includes support for eGovernment fundamentals and eGovernment applications.

Component 4 - Project Management (US\$2.34 million). This component will consist of support to finance project management related issues, and namely support for (a) a Project Manager, (b) an MTC Advisor, (c) a Lead IT Architect (d) a Procurement Manager, (e) a Financial Management Specialist, (f) an M&E Specialist, (g) office equipment, (h) incremental operating costs, (i) audits, and (j) environmental specialist expertise.

Contingency (US\$0.43million)

3. The RCIP Tanzania project will have 4 components:

Component 1: - Enabling Environment (US\$14 million). This component will provide support for capacity building in order to strengthen the policy and regulatory environment and promote further sector reform in order to maximize benefits from access to international capacity. This component will also finance technical assistance (TA) necessary to support the successful implementation of this component and Component 2.

Component 2: - Connectivity (US\$60 million). This component will provide additional funding for the National ICT Infrastructure Development Program in Tanzania. This component will also cover implementation of recommendations stemming from the relevant environmental studies.

Component 3: - eGovernment Applications (US\$22 million). This component will fund the implementation of targeted eGovernment applications

Component 4: - Project Management Support (US\$4 million). This component will consist of support to finance project management related issues including project coordination, procurement, financial management, monitoring & evaluation, project communication, and environmental and social safeguards. This component will also provide support through office equipment, incremental operating costs, and audits.

Which safeguard policies are triggered, if any? ***Ref. PAD IV.C., Technical Annex 10***
The proposed Environmental Category is B.

The risks associated with the kind of infrastructure financed under this Program are generally low, and the project is therefore assigned to environmental category B under OP 4.01. Land acquisition for terrestrial facilities will likely trigger OP 4.12 Involuntary Resettlement considerations. The project is not expected to impact indigenous peoples in any negative way, and therefore OP 4.10 is not triggered. However, once the actual locations of the facilities to be financed are known, this fact will be re-assessed.

An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) have been prepared for the overall program in its initial phase. In subsequent phase including this APL3, the ESMF and the RPF have been prepared by each country, reviewed by the Bank and undergone consultations and publicly disclosed in each country. Specific costed Environmental Management Plans (EMP) and Resettlement Action Plans (RAPs) will be prepared as necessary for the terrestrial facilities during project implementation, in line

with the ESMF and RPF, once the exact locations of those facilities have been identified. The institutional responsibilities for preparing the various safeguards instruments would lie with the implementing agency of each participating country. Any specific required action for some of the Civil Works will be taken into account during project implementation. Institutional responsibilities for preparing the safeguard assessment strategy will be defined closely with the Safeguards Team.

Significant, non-standard conditions, **if any**, for:

Ref. PAD III.F.

Board presentation:

Board presentation: June 25, 2009

Loan/credit effectiveness:

Credit effectiveness: October 2009

Covenants applicable to project implementation:

MALAWI:

Conditions of effectiveness:

The Recipient has appointed to the PC a Project manager with qualifications, experience and terms of reference satisfactory to the Association.

Disbursement conditions: None

Dated Covenants:

- (a) Not later than four months after the Effective Date, appoint independent auditors; and
- (b) Not later than three months after the date of effectiveness provide training to the Project FM staff on the Bank's policy and procedures on FM and Disbursement

Other Covenants

- (a) Maintain the financial management system including records, and accounts in accordance with the terms of financing agreement;
- (b) Prepare and furnish to the Bank not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank; and
- (c) Have the project's Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions and the annual audited Financial Statements submitted to the Bank not later than six months after the end of GoM's fiscal year, i.e. December 31 of each year.

MOZAMBIQUE

Conditions of Effectiveness

- (a) The Recipient has appointed a Project coordinator, an MTC advisor, a procurement manager and a financial management specialist, all with qualifications, experience and terms of reference satisfactory to the Bank.
- (b) The Recipient has adopted a Project Implementation Manual, including an administrative, financial, and accounting procedures manual, procurement manual, and a monitoring and

evaluation manual, in form and substance satisfactory to the Bank.

Disbursement conditions

- (a) Disbursements for grants components will be subject to the Recipient preparing and submitting to the Bank a Grants Manual, in form and substance satisfactory to the Bank.
- (b) Disbursements for capacity purchase in the national backbone will be subject to the parameters and expenditures for such support have been defined and approved by the Bank.

Dated Covenants

- (a) External auditors for the project to be hired within 3 months of effectiveness.
- (b) The Recipient has established the Project Steering Committee with mandate, functions, resources and in form and substance satisfactory to the Bank within 3 months of effectiveness;
- (c) A MEGCIP Implementation Strategy acceptable to the Bank will be submitted to the Bank within 3 months of effectiveness.

Financial Covenants

- (a) A financial management system, including records and accounts will be maintained by the MCT and related implementing agencies for the life of the project. Financial Statements will be prepared in a format acceptable to the Bank, and will be adequate to reflect resources and expenditures of the project, in accordance with sound accounting practices.
- (b) The Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
- (c) The Recipient shall have its Financial Statements audited by an independent auditor competitively selected with qualifications and experience acceptable to the Bank. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient, commencing with the Fiscal Year in which the first withdrawal under the Project Preparation Advance was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

TANZANIA

Conditions of effectiveness:

- (a) The Recipient has submitted to IDA the Project Implementation Manual (PIM) in form and substance satisfactory to IDA.

Dated covenants: Within 3 month of project effectiveness:

- (a) The Recipient shall appoint, not later than three (3) months after the Effectiveness Date, external auditors with qualifications, experience, and terms of reference satisfactory to IDA, for purposes of the carrying out of the audit of the Project Implementing Entity.
- (b) The Recipient shall appoint, not later than three (3) months after the Effectiveness Date, a Procurement Specialist with qualifications, experience, and terms of reference satisfactory to IDA.

Dated covenants: Within 6 month of project effectiveness:

- (a) The Recipient shall reassign, not later than six (6) months after the Effectiveness Date, at least two experienced internal audit staff to MCST to fill the remaining internal audit positions



Note

This document is the Program Appraisal Document for the Regional Communications Infrastructure Program. It is complemented by Technical Annexes which are country-specific and are prepared for each country joining the Regional Communications Infrastructure Program at the time of their application for IDA or IBRD financing.

I. STRATEGIC CONTEXT AND RATIONALE

A. Regional and sector issues

1. **Economic development in Eastern and Southern Africa (E&SA)¹ is held back by prohibitive telecommunications and ICT costs and limited communications infrastructure.** Due to incomplete liberalization and effective competition, costs for ICT and telecommunications services have remained prohibitive in the region and penetration levels in some segments remain low. Despite the significant growth that took place in recent years in some telecommunications sub-sectors –most notably mobile communications— E&SA is the only part of Africa that is not connected to the global optical fiber broadband infrastructure and accounts for only 0.013 percent of the world’s international bandwidth capacity in 2007². The region currently relies mostly on expensive and poor quality satellite infrastructure with costs amongst the highest in the world. In Eastern Africa, some 250 million people do not have access to high-speed broadband Internet services, and rely solely on expensive satellite connections for their intra- and international communications which are often subject to disruptions. Consumers along the east coast of Africa typically pay between US\$100 and US\$200 a month for 256 kbps fixed broadband (e.g. ADSL) Internet access, which is more than 100 percent of per capita monthly income (GNI). For example, in Zambia 256 kbps ADSL service costs US\$225 per month, 167 percent of monthly per capita GNI in 2007². International wholesale bandwidth prices are 20 to 30 times higher than those in the United States, Europe, and Asia. For instance, STM-1 cable between Johannesburg to London costs US\$166,000 per month, compared to the route between London to New York less than US\$5,000 per month in 2007³. The price of international calls from the region are, on average, twice the price of other developing countries in 2007². The result of such high cost and low quality communications is that the region is ill placed to compete in the global economy. Without access to low price and high quality telecommunications services, it is very costly for countries to trade among themselves and with the rest of the world. Opportunities to create jobs and to expand production of goods and services are also limited without access to telecommunications, as are opportunities for more effective learning, social participation, government efficiency and transparency. Key objectives of RCIP are to decrease the cost of international connectivity to the end user, and accelerate the roll-out of the terrestrial regional and related national backbone infrastructure to extend the reach of

¹ Eastern and Southern Africa (E&SA) is defined to include the following 25 countries: Angola, Botswana, Burundi, Comoros, DRC, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe

² Source: World Telecommunication Development Report database, International Telecommunication Union

³ Source: Global Bandwidth Research Database, Telegeography

submarine cable traffic to consumers in all the countries of the Eastern and Southern region, rather than only the coastal countries.

2. **Incomplete liberalization is keeping prices high.** While many countries in the region have implemented reforms to promote greater competition and private sector participation in various ICT sub-sectors, incomplete liberalization in most of the region has allowed incumbent telecommunications operators to use their monopoly power to keep prices high in areas key to economic development such as international bandwidth and access to Internet. Over the past five years, the policy trend in the ICT sector has moved in one direction – that of more competition – and this is having a significant positive impact on customers. However, a key issue which is emerging, particularly in relation to the development of backbone networks and broadband services, is the details of market liberalization and regulation. Some countries which have adopted an overall policy of market liberalization and competition but retain segments of the market under the exclusive control of one or two operators. These infrastructure and market bottlenecks are constraining overall market development. RCIP focuses on these market and regulatory bottlenecks and works with governments to overcome them.

3. **The lack of modern backbone infrastructure⁴ is a key constraint.** High-capacity backbone infrastructure lies at the heart of modern telecommunications networks. As networks are increasingly designed to support broadband services, these backbone networks will become more important as the legacy wireless networks built to carry mobile voice traffic no longer have the capacity to support high-bandwidth applications. This lack of infrastructure, limits citizens' access to broadband communication services at affordable prices. Twenty countries of the region do not have direct terrestrial access to global Information and Communications Infrastructure (ICI) and networks and rely on expensive, poor quality satellite connectivity to link up with each other and the rest of the world. Submarine cable backbone projects for the region have only recently been developed and the lack of national backbone networks makes it extremely costly to provide high-bandwidth communications services beyond the capital city and a number of other urban centers, hence limiting the impact of the reforms undertaken and contributing further to the urban-rural divide.

4. **The backbone network infrastructure in the region is rapidly evolving.** The key development in the region with respect to ICT infrastructure over the last three years has been the development of submarine fiber-optic cables along the East coast of Africa. Three cables are currently under development. SEACOM will run from South Africa to Europe with a branch to South Asia. TEAMS will connect Kenya with the Middle-East and EASSy will connect South Africa to Sudan and Djibouti. SEACOM and EASSy will be privately-owned and operated. TEAMS is a partnership between the private sector and the Government of Kenya. They will land at multiple stops along the route and will be in direct competition with each other. All three cables are due to be operational during 2009-10, with the SEACOM announcing a commercial launch date of June 2009. Detailed profiles of the submarine fiber-optic cables currently under development along the East coast of Africa are presented in Annex 1. Microwave backbone

⁴ For the purposes of this project, backbone infrastructure refers to a collection of high-capacity fiber optic or point-to-point wireless (e.g., microwave) links between main populated areas, both within countries and between countries, which serve as the basis on which telecom operators provide voice and data services. The text at some points will make the distinction between: *national backbone* networks (within countries), *regional backhaul* networks (between neighboring countries, terrestrial networks), and *regional backbone* networks (between the region and the rest of the world, e.g., undersea cables).

network infrastructure for carrying voice traffic is ubiquitous in the region. There are fiber links throughout the region and many in the planning stages although there is considerable variation between countries in the extent, ownership models and quality of the fiber cables. Each of the country program Technical Annexes as attached briefly describes the current status of national backbone networks and planned build-outs to provide a perspective of how RCIP fits into overall national and regional connectivity. The objective of the RCIP program is to fill in the gaps in this network infrastructure to ensure that high-speed low-cost connectivity is available throughout the region.

5. **Governments are not fully utilizing the emerging ICT infrastructure to improve the quality of public services.** As broadband networks develop and prices decrease, the potential for delivering public services electronically increases. Countries throughout the region are demonstrating that it is possible to support public service delivery using ICT even where the technology is relatively basic. In Rwanda for example, the government uses mobile phone applications to improve the management of health clinics throughout the country.

6. **RCIP will accelerate national infrastructure roll-out, encourage traffic demand and support eGovernment applications.** RCIP is designed as a horizontal APL regional IDA operation to: (a) accelerate the roll-out of the terrestrial regional and related national backbone infrastructure to extend access to broadband services within countries and to ensure access to the submarine cables along the East coast. (b) finance purchase of capacity (domestic, regional and international) for use by Government and by other targeted users (schools, universities, hospitals, etc.); and (c) finance related activities such as eGovernment applications and uses and ICT in rural areas. Telecommunications users in whichever locale generate national, regional and international communications traffic. Over 95 percent of content accessed by Internet users in Africa is hosted outside of the region. The use of the Internet therefore creates high levels of regional and international traffic. As the number of Internet users increases, the ratio of international to national traffic also increases. A high proportion of each of the program country's population live in rural areas so rural users can be expected to generate a significant proportion of the international traffic to and from each of the program countries Although many targeted communications users are located in rural areas, their use of the services therefore has an impact on regional and international communications networks.

7. **An open access structure will make the capacity more affordable to countries.** A key element of RCIP's involvement in infrastructure development is the open-access principle. The experience of ICT infrastructure clearly shows that where single parties have control over a bottleneck facility, prices remain high and quality is low. The program will therefore only support infrastructure development on the condition that it is made available to all users on non-discriminatory terms. The World Bank Group has direct experience of this through the EASSy sub-marine cable project in which open-access terms and conditions were imposed on the project in exchange for providing financing.

8. **The World Bank program complements the IFCs work and that of other development organizations.** The IFC is a key actor in the development of the EASSy submarine cable project. By supporting the development of terrestrial network infrastructure and the purchase of communications capacity, the RCIP program complements EASSy and the other submarine cables. The RCIP program also supports the improvement of the regulatory and policy environment in the countries which the submarine cables serve.

9. **A multi-donor approach will help catalyze international connectivity.** Several other donors, including the multi-donor program infoDev administered by the World Bank, DFID, the EU, and SIDA have also made important contributions in order to improve access to international connectivity in Eastern and Southern Africa (E&SA) through supporting infrastructure development and regulation. The World Bank's RCIP program is complementary to these efforts.

10. **Country ownership and sector readiness is driving the Bank's engagement.** The countries participating in the first phase of the RCIP World Bank operation (Kenya, Burundi and Madagascar) were chosen based on readiness and by official request to the World Bank (from their respective Ministries of Finance), which showed: (i) ownership of the activities beyond the Ministry of Telecommunications or its equivalent; (ii) the desire to work with the World Bank Group; and (iii) that the activities to be financed are at the core of the country's priorities. It is also worth noting that the three countries have subscribed to an open access platform and have advanced considerably in terms of ICT sector liberalization and sector reform, both of which will enhance the impact of the RCIP. A similar process was followed in Rwanda which joined the program in APL2. Malawi, Mozambique and Tanzania are candidates for APL3 as described in the accompanying country Technical Annexes.

11. **The program will be open to 25 countries.** Overall, the comprehensive RCIP Program is open to Angola, Botswana, Burundi, Comoros, DRC, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe, provided these countries are eligible for IDA or IBRD financing at the time of their application for IDA/IBRD support under the Program. A public website (www.worldbank.org/rcip) has been developed to facilitate this process

B. Rationale for Bank involvement

12. This section summarizes the rationale for Bank involvement from a regional perspective. More detail, particularly with regards to country-specific issues, is provided in the country Technical Annexes.

13. **The World Bank Group is well placed to contribute in the context of a multiple development partners' effort.** The World Bank Group first stepped into the RCIP with efforts and resources following the Algiers Declaration from the Summit of the Heads of State and Government Implementation Committee (HSGIC) in November 2004, which called on the World Bank Group to support regional connectivity efforts in view of its extremely important impact on regional development and growth⁵. The overall program has been formulated with and alongside other donors' interventions: (i) the Accra donors meeting in February 2005 articulated the comparative advantage of the World Bank in infrastructure financing and in the policy and regulatory interventions, in view of its extensive worldwide experience in reform of the telecom sector and its capacity to lend longer term resources for the realization of backbone infrastructure; (ii) the EASSy consortium members' meeting in Livingstone, Zambia on April 6th, 2006 called on the World Bank Group to help mobilize financing partners around the concept

⁵ See Declaration from 12th Summit of the Heads of State and Government Implementation Committee (HSGIC) Algiers, Algeria, November 2004. <http://www.nepad.org/2005/files/documents/169.pdf>

of an open access and hybrid project structure; (iii) IFC has co-led the multi-donor efforts to finance the EASSy SPV; and (iv) the World Bank has been co-opted alongside the African Development Bank to be a member of the joint Operators/Governments/DFIs Task Force.

14. An important body of analytic work and policy dialogue supports the Bank's engagement. The World Bank Group is well placed to support the proposed Program and projects on account of the considerable ground work that has been carried out to date, as outlined below:

- Funding network rationalization study and a regulatory and policy bottleneck study leading to a key regional policy-makers/operators workshop in July 2004 (the Algiers Head of States Declaration calling for World Bank support built on the workshop output);
- Co-financing with DBSA and AFD on a Detailed Feasibility Study for the EASSy Submarine cable (2004/5);
- Funding capacity-building at NEPAD e-Africa Commission (on-going – 2 officials funded through PPIAF/infoDev);
- Funding a Commonwealth Telecommunication Organization (CTO) regulatory analysis (through PPIAF);
- Funding an exercise to structure backhaul network for Eastern Loop (Kenya, Uganda, Rwanda, Burundi, Tanzania; an IFC Advisory Service mandate leveraging donors trust funds);
- Funding national backbone studies initially focusing on 8 countries (Kenya, Uganda, Rwanda, Burundi, Tanzania, Madagascar, Malawi and Mozambique): The main objectives of the study are to: (i) develop current and estimate aggregate traffic forecasts for each country over the next decade, so as to appropriately estimate the capacity of the backbone links needed; (ii) collect information on the existing backbone infrastructure; (iii) propose routing and specifications for a national backbone network; (iv) propose an appropriate business, commercial and financing structure for possible public private partnerships (PPP); and (v) make recommendations on the regulatory framework and changes which might be needed.;
- Putting together a workable financing platform of up to US\$170m for the EASSy project (IFC in collaboration with EIB, AfDB, DBSA, AFD, and KfW);
- Maintaining a constructive dialogue with all parties over the past 3 years; and
- Acting as an honest broker for all parties.

15. RCIP fits well with WBG's Strategy for Africa, particularly within the framework of the Africa Action Plan: The Bank's Africa Region Development Strategy, discussed at the Board in July 2003, identified advances in ICT as one of the three emerging positive trends in the 21st Century for Africa, offering "enormous opportunities to leapfrog stages of development". RCIP also fits within the Bank's comprehensive Africa Action Plan developed in 2005, which further articulates goals and objectives covering several important development areas including: (1) building national development strategies and measuring results; (2) building capable states and improving governance; (3) supporting drivers of growth; and (4) strengthening and implementing partnerships at the country level.

16. RCIP also addresses key Millennium Development Goals, including:

(ii) *MDG 1, Targets 1 & 2 (Eradicate extreme poverty and hunger)*. Significant evidence exists to support the assertion that sustained growth is key to poverty reduction. A large number of recent econometric studies suggest that the quantity and quality of telecommunications infrastructure may be connected to growth⁶. Based on the increase in ICT investment in industrial countries between 1995 to 2000, Haacker and Morsink⁷ estimate an average increase in growth of total factor productivity of about 0.4 percent per year. Malaysia's return on ICT capital (44.8 percent) is about three times higher than that for non-ICT capital (15.4 percent) (Lee and Khatri 2003). At the microeconomic level, ICT provides farmers, workers and entrepreneurs opportunities to reduce transaction costs, increase market coverage and improve competitiveness. For example, Novica, (an IFC investee company) is a Web and catalog merchant of international artwork and crafts that connects more than 1,800 artisans and artisan groups through its offices in Peru, Indonesia, Thailand, Mexico, India, Brazil and Ghana with consumers and retailers globally. Artisan's working with Novica earn between 10 percent to 50 percent above their local market prices.

(iii) *MDG 2, Target 3 (Universal primary education)*: Access to ICT can also improve education systems through long distance learning and teacher training. In Turkey for example, through donor funding approximately 22,800 small, rural schools were equipped with ICT access. Studies show that these efforts had a direct impact on enrollment, which has increased by 900,000 students in the past 7 years.

(iv) *MDG 5 & 6 (Health)*: Access to ICT services in remote areas can contribute to lower child mortality and improving maternal health. Health care workers can provide remote consultation, diagnosis, and treatment. ICT can even help in the prevention of disease. In Gambia, local inhabitants use satellite telephones to transmit information from sensors along 50,000 km of rivers that is used to calculate the appropriate time to spray against the disease carrying blackfly, a main contributor to river-blindness.

(v) *MDG 8, Targets 12 through 18 (Global Partnership for Development)*: This MDG reaffirms the need to promote good governance (Target 12), support the special needs of landlocked countries (Target 14) and cooperate with the private sector to "make available the benefits of new technologies, especially information and communications" (Target 18). People living in rural and remote areas tend to be poor and socially isolated. They lack information relevant to their particular situation and thus have difficulty interacting with other community members or other communities. ICTs, such as radio, telephone and email, can be of great value in bringing people together, bridging geographic distances and providing relevant information to the poor. The correlation across countries of the human development index (HDI) and the networked economy index (NEI) is above 0.8, suggesting a link between welfare and the use of ICT in developing countries.

17. RCIP is designed to provide infrastructure financing while strengthening institutional and regulatory reforms. As highlighted in the WBG's Strategy for ICT Sector Development in the region, *Connecting Sub-Saharan Africa, 2005* incomplete sector liberalization and lack of infrastructure are key impediments to leveraging ICT for economic and

⁶ Source: Canning 1997, Röller and Waverman 1995, Madden and Savage 1998, Riaz 1997, Easterly and Levine 1997.

⁷ Source: Haacker and Morsink 2002.

social development. The RCIP program has been designed to overcome these bottlenecks, providing infrastructure financing while strengthening policy and regulatory environments and institutions.

18. RCIP supports both infrastructure and services development and is targeted at the regional dimension. The RCIP program is designed as a range of options which countries can choose from according to their priorities. In some countries, the priority is for domestic backbone infrastructure while in others there is sufficient domestic infrastructure and priority is putting this infrastructure to use through the wholesale purchase of capacity and the development of eGovernment applications. Some of the options are directly regional in nature, providing links across borders to connect countries to the submarine fiber-optic landing stations on the coast. In some countries, the upgrading of domestic backbone infrastructure to high-capacity fiber optic cables will allow these countries to become conduits for regional traffic flows moving between the interior and the coast. The rationale for this approach is considerably strengthened with the arrival of the submarine cables which will dramatically change communications traffic flows in the region. The wholesale purchase of international communications capacity is also strongly regional in nature since the capacity purchased is carried on regional networks and via submarine cables. This provides direct benefits to the end-users, supports the financial viability of the infrastructure and is channeled through regional operators, thereby supporting the development of the ICT sector. Some of the eGovernment components are focused on domestic services. However, many of them do have a regional dimension to them. A good example is the automation of customers and border controls which helps to support trade flows within the region.

19. Land-locked countries face particular challenges. Land-locked countries in the region face specific challenges arising from their geographical location. The distance between their borders and the coastal landing stations of the submarine cables presents a significant challenge for operators and ISPs attempting to access low-cost bandwidth. The RCIP program supports these countries (e.g. Malawi within this APL3 program) in developing infrastructure to connect to the coast.

20. The program supports regulatory harmonization. Throughout the region, the project supports regulators and policy-making bodies responsible for the ICT sector. By doing so, the program is supporting the harmonization of regulatory frameworks and is consistent with efforts by other international bodies such as NEPAD, SADC, COMESA and the ITU. This harmonization of regulatory frameworks is becoming increasingly important as the networks and businesses models cross borders and as the countries become increasingly integrated through bodies such as the East Africa Community (EAC). The World Bank is working closely with these organizations in the development and implementation of RCIP.

21. eGovernment components are focused on countries which show strong demand. The RCIP program supports the development and implementation of eGovernment services and applications in member countries. However, not all countries have the capacity to develop and implement major eGovernment programs. This component of the program therefore contains eGovernment activities in countries which already have the institutional and policy frameworks in place, and have implemented eGovernment applications or are prepared to launch their initial eGovernment applications rapidly and effectively. Each of the country program Technical Annexes where applicable (e.g. Tanzania and Mozambique) as attached briefly describes the current level of eGovernment development and readiness.

C. Higher level objectives to which the program contributes

22. **Links to CASs and PRSPs are consistent.** While the countries that would benefit from this project vary in size and needs, common strategic themes identified in the various CASs and PRSPs - higher growth and economic opportunities for the poor; efficiently and effectively managed public sector; improved health management and enabling environment for economic growth and structural transformation – clearly benefit from improved communications infrastructure and cheaper access to ICT.

23. **The higher level objectives are to accelerate growth and improve governance.** RCIP is expected to contribute to the objectives of accelerated and shared growth (in relation with the project's connectivity development objective) and greater fiduciary accountability and improved governance in the public sector (in relation with the project's transparency development objective) and access to government services.

24. **The connectivity development objective will be the engine of shared growth** achieved by: (i) accelerating the physical rollout of backbone infrastructure (investment intervention based on public-private partnerships to leverage private sector investment in infrastructure); and (ii) removing monopoly regimes through policy and regulatory support to ensure that once in place, the infrastructure is accessible to all operators on open, transparent and non-discriminatory terms.

II. PROJECT DESCRIPTION

A. Lending instrument and Country Eligibility

25. **The lending instrument is a Regional IDA horizontal Adaptable Program Loan (APL).**⁸ The proposed operation including the countries of Malawi, Mozambique and Tanzania is the third phase of the RCIP – APL approved on March 5, 2007. APL3 objectives are fully consistent with the previous phases including: APL1 (Kenya, Burundi and Madagascar), and APL2 (Rwanda), which are currently being implemented.

26. **RCIP is open to countries eligible for IDA financing at the time of their application for support.** In this third phase of the APL program the Bank management of each country (Malawi, Mozambique, and Tanzania) have confirmed the eligibility for IDA financing as well as the specific national IDA amounts of each country.

27. **Under Adaptable Program Lending, funding for the program starts with components that are ready and can be appraised,** This allows other components to be prepared over time and be eligible for financing at subsequent stages. This allows a quicker World Bank response to borrower needs while providing flexibility in program implementation. This third phase of the APL program fits the eligibility criteria established in the first phase of RCIP (at the time an IDA14 regional program), specifically in the areas of regional economic integration, in particular infrastructure, and supports regional programs that build implementation capacity and increase donor harmonization and coordination:

⁸ A horizontal Adaptable Program Loan (APL) is structured in "horizontal" phases in order to allow participation of different countries as and when they express demand and demonstrate readiness.

- The benefits to be accrued in the countries (i.e., increased access to quality and affordable ICT services) spill over country boundaries as: (i) higher volumes increase the viability of the regional communications infrastructure network, decrease cost of access and increase trade between African countries, and (ii) cross-border initiatives provide countries with the incentives to develop missing infrastructure to increase ICT access.
- There is clear evidence of country and regional commitment. The APL structure allows countries to join on a commitment and/or readiness basis.
- The proposed operation provides a platform for a higher level policy harmonization between countries fostering pro-competitive regional connectivity.
- This program and the preceding two phases (including Kenya, Madagascar, Burundi, and Rwanda) are part of a well-developed and broadly supported regional strategy, potentially extending to 25 countries in East and Southern Africa.
- The World Bank Group is providing assistance alongside other development partners including AfDB, EIB, DBSA, AFD and KfW.

28. **IDA allocations follow country considerations.** Since this is a regional project, supplementary regional IDA funding can be used to leverage country allocations for up to 2/3 of the full proposed IDA amount of the project, with country allocations covering 1/3 of the project cost attributable to each individual country involved. In the case of eGovernment components, given that the impact of eGovernment activities is more national in nature than regional, and in consideration of the current constraint for the regional IDA allocation, eGovernment components will be funded from the individual country IDA allocations. Table 1 provides a summary of the regional/national IDA breakdown for the three countries of the proposed operation.

Table 1: IDA Funding

Phase	Country	Source of Funds		Total	US\$, million
3	Malawi	IDA	Regional	20.0	13.3
			National		6.7
3	Mozambique	IDA	Regional	31.0	13.7
			National		17.3
3	Tanzania	IDA	Regional	100.0	42.0
			National		58.0
	TOTAL APL3	IDA	Regional	151.0	69.0
			National		82.0

B. Program development objective and key indicators

29. **The overall regional program will support connectivity and transparency development objectives.** Consistent with the overall RCIP Program, RCIP APL3 has two overarching development objectives (i) to contribute to lower prices for international capacity and to extend the geographic reach of broadband networks (the “connectivity development objective”); and (ii) to contribute to improved Government efficiency and transparency through

eGovernment applications (the “transparency development objective”). Each country in this APL3 has established its program development objective as follows:

(a) Malawi Project Development Objective

To support the Recipient’s efforts to improve the quality, availability and affordability of broadband within its territory for both public and private users.

This will be done by using the Government’s 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 are due to land along the East coast of Africa during 2009-10.

(b) Mozambique Project Development Objective

To support the Recipient’s efforts to contribute to lower prices for international capacity and extend the geographic reach of broadband networks and to contribute to improved efficiency and transparency through eGovernment applications.

(c) Tanzania Project Development Objective

To support the Recipient’s efforts to (i) lower prices for international capacity and extend the geographic reach of broadband networks; and (ii) improve the Government’s efficiency and transparency through eGovernment applications.

30. **The primary beneficiaries of the Program will be the citizens and governments of East and Southern Africa** through increased access to lower cost and higher quality communications, business sector through reduced transactions cost, and targeted users (schools, universities, hospitals) through increased lower cost connectivity.

31. **RCIP 3 will place significant emphasis on developing a results-based program.** The RCIP 3 program is placing significant emphasis on a results based program with dedicated resources to develop robust monitoring and evaluation (M & E) frameworks at both national and regional level to ensure intended results are achieved. See the country Technical Annexes for a description of the detailed interim outcomes and indicators.

32. **Outcomes and indicators are program and country specific.** The Connectivity Development Objective applies to all three country projects while the Transparency Development Objective applies only to the MEGCIP and RCIP Tanzania Projects.

Table 2: Monitoring and Evaluation Framework

Project Development Objective	Outcome Indicators	By the closing date of the Program
Connectivity development objective: To contribute to lower prices for international capacity and extend the geographic reach of	Volume of international traffic using proxy: <ul style="list-style-type: none"> International Internet bandwidth 	See country Technical Annex for each participating country (where applicable)

broadband networks

Volume of national traffic using 2 proxies:

- Internet user penetration
- Total teledensity (fixed and mobile)

Average price of international communications using the proxy:

- Price of wholesale international E1 capacity link

Transparency development objective:

To contribute to improved Government efficiency and transparency through eGovernment applications

Satisfaction of users with electronic delivery of Government services

Volume of electronic records/events processed with eGovernment applications

See country Technical Annex for each participating country (where applicable)

C. Program and project components

33. **RCIP supports a customizable menu of options.** To maximize flexibility and client-responsiveness in a multi-country environment, RCIP has been designed as a highly customizable menu of options which individual Governments choose from and adapt to their unique circumstances in order to package their country-specific RCIP operation. The various country-specific operations within the RCIP umbrella program will include a number of specific components and subcomponents, drawn from the following menu of options, which have been grouped under four broad headings or components, described in more detail below. The specific component activities are specified in the relevant technical annexes of each country.

34. **Component 1: Enabling Environment, including Monitoring & Evaluation capacity-building.** This component aims to promote further regional market integration and sector liberalization. This will include the following subcomponents focused on technical assistance, capacity-building and training to: (a) promote further sector liberalization and legal and regulatory reforms in order to maximize the benefits of the regional infrastructure (regulatory tools to guarantee open access to national and international infrastructure, cost-modeling, tariff regulation, interconnection, essential facility regulation, competition policy and regulation, spectrum and other scarce resource management); (b) support the implementation of regulatory reforms; (c) accelerate the establishment of the legal and regulatory framework for the information society, in particular, regarding security of networks and electronic transactions, privacy and data protection, access to information, intellectual property rights, cyber-crime etc.; (d) support continued sector reform to maximize the impact of the connectivity component and strengthening the PPP framework to provide a sound basis for both the connectivity and eGovernment components; (e) build M&E capacity; and (f) design and implement project communications.

35. While it is expected that not all countries will require the same level of support in all these areas, this enabling environment component is eminently regional in nature, as it will

support the further opening of the sector in the participating countries, with important spillover effects due to increased traffic in the regional network and a consequent reduction in the overall costs. In addition, common areas of technical assistance and capacity building initiatives (in particular training courses) can be implemented as regional activities.

36. **Component 2: Connectivity.** This component aims to support the deployment of regional connectivity. This will include the following subcomponents: (a) support for the financing of a submarine cable landing station or virtual landing station⁹ (for landlocked countries), as well as support for the creation of a national Internet Exchange Point (IXP), run by an association of operators or a private third party venture, with regional connections to other IXPs; (b) support to finance purchase of capacity on the submarine cable(s), backhaul and national backbone networks, to assist rural and underserved areas, as well as targeted users (schools, universities, hospitals, eGovernment use) with discounted capacity prices; (c) support for the deployment of regional backhaul links across the borders with neighboring countries to reach the submarine cable(s) landing point, together with support for the deployment of the national backbones, on the basis of PPPs, leveraging private sector investment; (d) support to finance the establishment of a government virtual private network to cater to all the government communications needs (both data and voice/video); (e) support to extend ICT in rural areas and/or community-driven ICT development on the basis of PPPs with competitive award of subsidies; and (f) support for country-specific innovative demand-stimulation programs.

37. **These sub-components will also contribute to ensure the viability of the regional communications infrastructure supported under RCIP.** For instance, without the potential increased traffic made possible by an acceleration of national infrastructure roll-out and application building, the regional infrastructure may not be viable and therefore may not materialize. Conversely, without cross-border initiatives such as the EASSy submarine cable project or other complementary projects, the individual countries may not be in a position to achieve low-cost broadband access and therefore may not be in a position to advance their growth agenda and overall global competitiveness. Landlocked countries in Eastern and Southern Africa (e.g. Malawi) are especially disadvantaged as they need to interconnect with incumbents or national long distance operators in intermediary countries to carry traffic to the landing point and often pay high prices in the process. Effective cross-border links and supporting regulatory frameworks are therefore critical for the region as a whole.

38. **Component 3: Transparency - eGovernment Applications.** eGovernment applications apply the judicious use of ICT to enable governments to improve their internal systems, deliver services more efficiently and effectively, and make information more accessible to citizens. This component will support selected major government services which would be candidates for transition to eGovernment through the use of technology, business process re-engineering to streamline processes, and change management to ensure acceptance of the new methods of working. The applications will be prioritized as follows: (a) activities which will have the

⁹ This is expected to be essentially a small construction with limited equipment aimed at guaranteeing fair and unfettered physical access by all operators to the regional backhaul and the submarine cable(s).

greatest impact in terms of transparency and accountability; (b) services where there is a change champion who could help promote adoption from within government; (c) possibility of private sector participation to enhance drive for results, efficiency, and economies of scale; and (d) high potential for success with implementation and payback within a few years, hence the possibility for quick wins. This component does not apply to the Malawi Project (RCIPMW)

39. **A wide choice of eGovernment applications is available for selection by specific countries**, based upon the individual country's state of readiness, its interest in increasing transparency and citizen's voice in government, and existing human and physical infrastructure. These range from classic applications for public finance, procurement, inland revenue collection and budgetary allocations, to the widely needed services such as registrations of birth, marriage, and death, and transaction-based services for company registrations, property titling and vehicle/driver registrations, insurance, citizen's ID cards, utility payments, and so forth.

40. **Application development will also be critical to ensure the viability of the regional and national communications infrastructure**, since applications will increase demand for broadband communication services. The increased traffic and therefore the viability of any submarine cable's low cost high volume business model, and related cross-border infrastructure links, provide additional justification for the broader RCIP support.

41. **Component 4: Project Management.** This component will consist of support to finance project management related issues. Depending on the specific implementation arrangements for each country, this component may include elements such as human resources support with management, procurement, financial management, M&E, and communications expertise, as well as support to conduct audits.

D. Lessons learned and reflected in the program design

42. **Leveraging the experience of RCIP1 and RCIP2 operations.** The RCIP1 operations for Kenya, Burundi and Madagascar were reviewed by the World Bank Quality Assurance Group (QAG) as part of the eighth quality at entry assessment exercise (QEA8). While the assessment concluded that overall quality at entry was "Satisfactory" (the second highest ranking), it identified a number of areas which could be improved. While the relevant guidance is being implemented as part of the supervision of RCIP1 operations, it has also been captured for the preparation of the RCIP2 and RCIP3 operations, including :

Table 3: Lessons learned from RCIP APL1

QAG QEA8 Quality Enhancement Recommendations on RCIP APL1	Corrective Action Taken as Part of RCIP APL3 Preparation
Weak implementation capacity, capacity across the participating countries.	<ul style="list-style-type: none"> A Project Preparation Advance (PPA) has been setup to support preparation (Mozambique and Tanzania) In Malawi resources from an on-going project (BESTAP) are used to step-up World Bank project implementation capacity before RCIP Malawi goes to the Board
Lack of procurement readiness → should pay more attention to streamlining and consolidating the various tenders.	<ul style="list-style-type: none"> The projects will have an operational procurement specialists Particular attention in preparation of the procurement plans to minimize tender packages
Delays in staffing key positions, Low readiness of the	<ul style="list-style-type: none"> Contrary to RCIP1, resources from PPAs have been used to

<p>first year's program for implementation (vary across participating countries though) → may cause the delay of completing the first phase within 4-5 years of implementation.</p>	<p>step-up project implementation capacity (Mozambique and Tanzania.)</p> <ul style="list-style-type: none"> ▪ In Malawi resources from an on-going project (BESTAP) are used to step-up World Bank project implementation capacity before RCIP Malawi goes to the Board ▪ The program countries will have a 5-year implementation period as opposed to 4 years for RCIP Burundi and RCIP Madagascar
<p>Adequacy of the monitoring arrangements. → The panel concern that the project documents and monitoring information would be difficult to collect if there are large number of agencies that provide the data. The project documents do not seem to anticipate these kinds of difficulties.</p>	<ul style="list-style-type: none"> ▪ In the program countries a centralized or single agency (e.g. the sector regulator) will be responsible for collecting indicators
<p>Risk management → for the improvement of the quality, the panel felt that additional steps (such as giving attention to capacity building during preparation, simplify the content of policy components, and extending the implementation period in weaker countries) would be helpful and further mitigate the institution risk.</p>	<ul style="list-style-type: none"> ▪ Contrary to RCIP1, resources from PPAs (Tanzania and Mozambique) are used to step-up World Bank project implementation capacity before Board approval ▪ In Malawi resources from an on-going project (BESTAP) are used to step-up World Bank project implementation capacity before RCIP Malawi goes to the Board ▪ The program countries will have a 5-year implementation period as opposed to 4 years for RCIP Burundi and RCIP Madagascar
<p>Comments on TA and training: Selection of output indicators - Some more micro level output indicators of human development in terms of numbers of personnel in different skill categories would be considered to choose essential for the two PODs. - Limit the number of indicators to measurable items. (choose the indicators that provide more indication of outputs than outcomes.)</p>	<ul style="list-style-type: none"> ▪ Indicators have been fully discussed with the program implementing agencies and the data collection and reporting agencies to ensure they are measurable.

E. Alternatives considered and reasons for rejection

43. **APLs work best in the Regional context.** Closing the terrestrial connectivity gap in Eastern and Southern Africa requires the combination of two key interventions: (i) investment intervention based on a public-private partnership; and (ii) policy and regulatory support to ensure that once in place, the infrastructure is accessible to all service providers on open, transparent and non-discriminatory terms. Both elements are key to project success. As evidenced from previous experience in the Western Africa SAT-3 submarine cable¹⁰, and by the absence of pure private infrastructure in Eastern & Southern Africa, other alternatives focusing exclusively on public investment or on policy reform, or relying on sole private sector financing, were discarded.

III. IMPLEMENTATION

A. Institutional and implementation arrangements

44. The institutional and implementation arrangements are specified for each participating country in the relevant Technical Annex. The primary implementing and benefiting agencies include the following (by country):

¹⁰ Lack of policy/regulatory support has led to limited impact of SAT3 on reducing prices and delivering on development outcomes.

MALAWI

- Ministry of Justice
- Malawi Communications Regulatory Authority
- Privatization Commission

MOZAMBIQUE

- Ministry of Science and Technology
- Ministry of Transport and Communications
- Mozambique National Institute of Communications
- Technical Unit for Implementation of ICT Policy

TANZANIA

- Ministry of Communication, Science, and Technology
- President's Office – Public Service Management

B. Monitoring and evaluation of outcomes/results

45. RCIP3 supports the IDA Results Measurement System (RMS). Monitoring and evaluation of RCIP3 will be embedded in the various components of the project, and technical assistance provided through the project will include support for M&E Arrangements for results monitoring are specified for each participating country in the relevant Technical Annex.

C. Sustainability

Table 4: Sustainability of RCIP3

Component	Sustainability
Component 1: Technical assistance to sector ministry, regulator, M&E capacity	Technical assistance is being provided to, among others, improve sustainability through capacity building within the Ministry and regulator.
Component 2: Connectivity	
(a) Support for a (virtual) landing station, and for establishment of an Internet Exchange Point (IXP) (not applicable in all countries).	The operation and maintenance costs to maintain this infrastructure once it is up and running are limited. Sustainability of this component is improved by assigning management of such infrastructure to the private sector company or association of companies that will be operating as a commercial concern, in order to cover maintenance costs.
(b) Support for capacity purchase schemes on the regional and national networks to support targeted users (schools, universities, hospitals, eGovernment users, other user groups).	Capacity can be leased (monthly, yearly, etc) or purchased for the life of the cable, i.e. on an IRU ¹¹ basis (Indefeasible Rights of Use) similar to a capital investment. To improve sustainability of this component, capacity on the national and regional backbones will be purchased as much as possible on an IRU basis and PPP (Public Private Partnerships).
(c) Support for the rollout of a national backbone (not applicable in all countries).	Any public financial support required would be calculated in such a way as to allow the operation to be profitable – and therefore sustainable – on an ongoing basis. Because ownership of the equipment remains with the operators/holding company, they would be responsible for maintenance and ensuring the sustainability of operation in the long run. Once investment and infrastructure are in place, operational costs are relatively low.
(d) Support for financing the governments' virtual communications network (not applicable in all program countries).	This component mostly relates to physical investments in infrastructure as usage charges would be covered under 2(b). Sustainability risks would be minimized if availability of resources for network maintenance can be guaranteed.
(e) Support for the extension of ICT coverage in rural areas. The government would launch a tender process for rural coverage and subsidies would be attributed to operators which ask for the least subsidy.	Same as for 2(c).
Component 3: eGovernment applications (not applicable in all program countries)	Sustainability is ensured through delivery of more timely and lower cost services, thus ensuring increased demand from citizens. Sustainability is also addressed by providing citizens with new sources of information which is important to their livelihoods. The vast majority of the work will be done by the private sector.

D. Critical risks and possible controversial aspects

46. **RCIP is a complex and ambitious Program with significant risks and benefits at the country level.** A number of risks related to the planning and execution of the RCIP have been identified. Some of these risks are also found in other regional projects supported by the Bank

¹¹ IRU refers to the right to use a specific amount of capacity on the cable for life of the infrastructure.

and underscore the importance of a coordinated approach. The table below covers the risks which are at the RCIP Program level. The overall RCIP program level risk is rated moderate. RCIP country-specific risks are covered in the relevant Technical Annexes.

Main Risks	Rating	Mitigation measures	Residual Risk
To project development objective			
The measures to lower the cost capacity and extension of broadband networks to underserved area are not sufficient. The decrease in national and international backbone capacity costs as well as the extension of networks to underserved areas depends to a great extent on a combination of market competition and regulatory interventions.	M	A considerable amount of the project budget is allocated to building capacity in the ministries and regulator. Additionally, technical assistance will be contracted to assist in implementing new policies and practices to increase the probability of achieving project objectives.	L
Delays/cancellation of the proposed international connectivity via submarine cable systems (e.g. EASSy, SEACOM).	M	There are at least two different submarine projects under development in East Africa. Recent announcements by these projects indicate that roll-out is taking place and that commercial operation could begin as soon as June 2009.	L
Implementation arrangements - Significant coordination and collaboration is required among a number of stakeholders	S	In every country program at least one implementing agency is assigned full responsibility and is fully committed and as the clearly defined leader will ultimately be responsible and accountable of program implementation.	M
Procurement - A number of the procurements under this project will be standard and familiar to the procurement team. However, other procurements such as PPP and OBA schemes maybe required of which the team has limited experience.	S	A considerable amount of the project budget is allocated to the hiring of expert technical support. This budget is designed to be sufficient to pay for advisors with high-level experience of this type of procurements. This will ensure that the team is provided with the best possible assistance to implement the project efficiently and effectively.	M
Financial Management	S	(see applicable detailed Annex in the Country Technical Annexes)	M
Social and environmental safeguards	M	The environmental and social impact of the activities to be undertaken by the program are generally regarded as being low and the Program was therefore assigned to environmental category B under OP 4.01. Environmental and Resettlement Policy Frameworks have been prepared in all program countries. These	L

		outline the approach that will be taken by the government to deal with any environmental and resettlement issues that may arise. The financial costs of undertaking environmental management plans have also been included in the project budget.	
OVERALL RISK	M		M

Risk Rating: S = Substantial, M = Moderate, L=Low, N = Negligible.

E. Credit conditions and covenants

47. Credit conditions and covenants are defined individually for each project (see the country Technical Annexes for details). There are no conditions/covenants at the Program level. The primary conditions for each country are summarized as follows:

Malawi

(a) Conditions of effectiveness:

- The Recipient has appointed to the PC a Project manager with qualifications, experience and terms of reference satisfactory to the Association.

(b) Disbursement conditions:

- None

(c) Dated Covenants:

- Not later than four months after the Effective Date, appoint independent auditors; and
- Not later than three months after the date of effectiveness provide training to the Project FM staff on the Bank's policy and procedures on FM and Disbursement.

(d) Other covenants:

- Maintain the financial management system including records, and accounts in accordance with the terms of financing agreement;
- Prepare and furnish to the Bank not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank; and
- Have the project's Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions and the annual audited Financial Statements submitted to the Bank not later than six months after the end of the fiscal year, i.e. December 31 of each year.

Mozambique

(a) Conditions of effectiveness:

- The Recipient has appointed a Project coordinator, an MTC advisor, a procurement manager and a financial management specialist, all with qualifications, experience and terms of reference satisfactory to the Bank.
- The Recipient has adopted a Project Implementation Manual, including an administrative, financial, and accounting procedures manual, procurement manual, and a monitoring and evaluation manual, in form and substance satisfactory to the Bank.

(b) Disbursement conditions:

- Disbursements for grants components will be subject to the Recipient preparing and submitting to the Bank a Grants Manual, in form and substance satisfactory to the Bank.
- Disbursements for capacity purchase in the national backbone will be subject to the parameters and expenditures for such support have been defined and approved by the Bank.

(c) Dated Covenants:

- External auditors for the project to be hired within 3 months of effectiveness.
- The Recipient has established the Project Steering Committee with mandate, functions, resources and in form and substance satisfactory to the Bank within 3 months of effectiveness;
- A MEGCIP Implementation Strategy acceptable to the Bank will be submitted to the Bank within 3 months of effectiveness.

(d) Financial Covenants:

- A financial management system, including records and accounts will be maintained by the MCT and related implementing agencies for the life of the project. Financial Statements will be prepared in a format acceptable to the Bank, and will be adequate to reflect resources and expenditures of the project, in accordance with sound accounting practices.
- The Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
- The Recipient shall have its Financial Statements audited by an independent auditor competitively selected with qualifications and experience acceptable to the Bank. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient, commencing

with the Fiscal Year in which the first withdrawal under the Project Preparation Advance was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Tanzania

(a) **Condition of effectiveness:**

- The Recipient has submitted to IDA the Project Implementation Manual (PIM) in form and substance satisfactory to IDA.

(b) **Dated covenants: Within 3 month of project effectiveness:**

- The Recipient shall appoint, not later than three (3) months after the Effectiveness Date, external auditors with qualifications, experience, and terms of reference satisfactory to IDA, for purposes of the carrying out of the audit of the Project Implementing Entity.
- The Recipient shall appoint, not later than three (3) months after the Effectiveness Date, a Procurement Specialist with qualifications, experience, and terms of reference satisfactory to IDA.

(c) **Dated covenants: Within 6 month of project effectiveness:**

- The Recipient shall reassign, not later than six (6) months after the Effectiveness Date, at least two experienced internal audit staff to MCST to fill the remaining internal audit positions.

IV. APPRAISAL SUMMARY

48. The country Technical Annexes address the country-specific economic, financial, technical and fiduciary appraisal considerations.

A. Economic and financial analysis at the program level

Economic Benefits at the Regional Level

49. **ICT can help developing countries overcome inefficiencies in trade promotion, logistics, and customs services to become more competitive and integrated in the international trading system.** The implementation of RCIP will have a transforming impact on regional communications traffic, which in turn will have an important impact on regional and global trade and overall economic integration of the participating RCIP countries and the whole region. The economic benefits of the implementation of the program can be demonstrated by the increase in regional and international trade transactions and thus of the volume of foreign trade through the following channels:

- Fink, Mattoo, and Neagu (2002)¹² find that a 10 percent decrease in the bilateral price of phone calls is associated with an 8 percent increase in bilateral trade; and
- Freund and Weinhold (2000)¹³ find that a 10 percent increase in the relative number of web hosts in a country is associated with increased trade flows by 1 percent.

50. **RCIP will contribute to reduction of connectivity costs.** Eastern and Southern Africa currently has one of the highest connectivity costs in the world. RCIP aims to contribute to significantly reduce these prices. Assuming just a 10 percent decrease of international call prices within the Common Market for Eastern and Southern Africa (COMESA) – of which nine potential RCIP target countries are members, it is conservatively estimated that the volume of the trade within COMESA would increase annually by at least US\$250 million.

Regional Considerations for RCIP Project Components

51. **RCIP components were designed to be viable in the current environment.** It is important to note that RCIP components were designed as an integrated and interlinked program to ensure long term economic viability of the infrastructure, maximize development impact of the investments, and ensure initial investments are recouped. The Detailed Feasibility Study for the EASSy project argued that for the long term economic viability of EASSy (and of any other major submarine fiber cable connecting the region to the rest of the world), it is extremely important that African countries develop their domestic and regional network infrastructure as quickly as possible to meet the expected growth of demand for Internet traffic, which is likely to be substantial. To ensure the viability of the domestic and regional network infrastructure and to ensure that its benefits are delivered to end users, it is important to develop both the backbone and access (or last mile) network. While access networks in urban areas are being rapidly developed mainly by mobile operators, backbone networks and access networks in rural areas will require Government financial support in the form of subsidies (as it is the case in most of the developing countries and many developed countries). To ensure the viability of the whole infrastructure system, it is important to stimulate demand by the public administration and citizens through the support of government's communications networks, subsidizing Internet access and usage by educational institutions, and development and implementation of eGovernment applications.

52. **Greater integration and coordination of RCIP activities will help maximize economic benefits.** RCIP has a potential to deliver significant economic benefits to Eastern and Southern Africa countries. However, in order to maximize these benefits, it is important to ensure that its individual components are implemented within an integrated and coordinated program.

¹² Carsten Fink, Aaditya Mattoo, Ileana Cristina Neagu, 2002. Assessing the Impact of Communication Costs on International Trade, Policy Research Working Paper #2929, The World Bank, Washington, DC

¹³ Caroline L. Freund & Diana Weinhold, 2000. On the effect of the Internet on international trade, International Finance Discussion Papers 693, Board of Governors of the Federal Reserve System, U.S.

B. Social & environment

53. **The Program will have many positive social impacts; negative impacts on land acquisition are unlikely.** The program is not expected to have any negative social impacts. The only potential negative impact relates to land acquisition for the construction of telecommunications and ancillary infrastructure, such as access roads, which could prompt the need for involuntary resettlement of the affected populations. However, this potential impact is considered unlikely, given that most of the proposed telecommunications facilities are expected to be constructed alongside other existing infrastructure, such as roads and power transmission lines.

54. **The environmental impacts expected from this Program are moderate to minimal.** The backhaul/backbone and rural ICT components are the only ones likely to have some environmental impact, either due to temporary disruption through the construction of ducts for laying the fiber optic networks or from the construction of ancillary infrastructure, notably access roads, associated with towers for microwave links and rural wireless systems.

C. Fiduciary

55. **Financial Management.** The FM assessments of the respective implementing agencies in the participating countries were conducted in line with the Financial Management Practices Manual issued by the Financial Sector Board in November 2005. The objective of the assessments was to determine whether the respective institutions have adequate FM systems and related capacity in place that satisfy the World Bank's minimum requirements under OP/BP10.02.

56. The FM assessment entailed a review of the Privatization Commission (PC) in Malawi, the Ministry of Science and Technology (MCT) in Mozambique, and the Ministry of Communications Science and Technology and President's Office – Public Service Management (MCST and PO-PSM) in Tanzania. The assessments also took into consideration the FM performance of the IDA projects currently being implemented by the respective institutions.

57. The aggregate FM overall risk rating for Malawi and Mozambique is moderate, and for Tanzania is low after mitigating measures. Appropriate mitigating measures have been identified and incorporated into project design. The proposed FM arrangements meet the World Bank's minimum requirements for project FM per OP/BP10.02.

58. **Procurement.** Assessments of the capacity of the national implementing agencies to undertake procurement activities were carried out by the World Bank. The assessed procurement risk for Malawi is moderate, substantial in Mozambique, and high in Tanzania. With the proposed mitigation measures the residual risk is likely to become moderate. The procurement risks and arrangements of each participating country are detailed in the country technical annexes.

59. **Guidelines.** In every country, all international competitive bidding (ICB) and selection of consultants involving international consultants will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 and revised in October 2006; and "Guidelines: Selection and Employment of Consultants by

World Bank Borrowers” dated May 2004 and revised in October 2006, and the provisions stipulated in the Financing Agreement.

D. Safeguard policies

60. The proposed category for the Program is B.

Safeguard Policies Triggered by the Project	Yes	No
<u>Environmental Assessment</u> (OP/BP/GP 4.01)	[x]	[]
Natural Habitats (OP/BP 4.04)	[]	[x]
Pest Management (OP 4.09)	[]	[x]
Cultural Property (OPN 11.03, being revised as OP 4.11)	[]	[x]
Involuntary Resettlement (OP/BP 4.12)	[x]	[]
Indigenous Peoples (OD 4.20, being revised as OP 4.10)	[]	[x]
Forests (OP/BP 4.36)	[]	[x]
Safety of Dams (OP/BP 4.37)	[]	[x]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[x]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[x]

61. The physical components of this Program will mostly be limited to the building of national terrestrial backbones, rollout of rural networks, and of the landing stations, in the few cases where the latter might be required. No beach manholes or onshore cable infrastructure up to the landing station will be financed under this project. The risks associated with the kind of infrastructure financed under this Program are generally low, and the project is therefore assigned to **environmental category B under OP 4.01**. Land acquisition for terrestrial facilities will likely trigger OP 4.12 Involuntary Resettlement considerations. The project is not expected to impact indigenous peoples in any negative way, and therefore OP 4.10 is not triggered. However, once the actual locations of the facilities to be financed are known, this fact will be reassessed.

62. An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) have been prepared for the overall program in its initial phase. In subsequent phase including this APL3, the ESMF and the RPF have been prepared by each country, reviewed by the Bank and undergone consultations and publicly disclosed in each country. Specific costed Environmental Management Plans (EMP) and Resettlement Action Plans (RAPs) will be prepared as necessary for the terrestrial facilities during project implementation, in line with the ESMF and RPF, once the exact locations of those facilities have been identified. The institutional responsibilities for preparing the various safeguards instruments would lie with the implementing agency of each participating country. Any specific required action for some of the Civil Works will be taken into account during project implementation.

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

Institutional responsibilities for preparing the safeguard assessment strategy will be defined closely with the Safeguards Team.

E. Policy exceptions and readiness

63. The Program does not require any exception to the Bank policies.

64. The Project in each participating country has been appraised and is deemed ready to begin implementation. In particular: (i) fiduciary arrangements have been defined and will be in place by effectiveness; (ii) all key project staff is or will be in place by effectiveness; (iii) all the disclosure requirements have been met; and (iv) the results monitoring arrangements have been completed, the indicators have been specified and the baseline data collected.

Annex 1: Update on On-going Submarine Cable Initiatives
Regional Communications Infrastructure Program (RCIP) APL3

Submarine Cable Initiative	EASSy	NEPAD Submarine SPV (Baharicom)	SEACOM	TEAMS
Project Cost, Financing and Ownership Considerations				
Cost	US\$235m	US\$600m (part of a US\$2bn initiative)	US\$650m	US\$110m
Financing	<u>Investment</u> : US\$165m Pledged and guaranteed by 25 telecommunications operators <u>Debt</u> : US\$70m IFC, AfDB, EIB, PROPARCO, KfW	30% NEPAD SPV (28 Government-nominated companies so far – no documentation to confirm whether the 28 firms have paid-in the capital) 70% Other to be determined	<u>Investment</u> : US\$300m 25% SA-based VenFin 12.5% SA-based Shanduka 12.5% SA-based Convergence Partners 25% Aga Khan's IPS 25% US-based Herakles <u>Debt</u> : US\$350m NedBank Capital and Investec are lead arrangers	15% Etisalat 40% Government of Kenya (to be sold later) 45% - Subscribed by France Telecom, Kenya Telecom and other Kenya-based operators.
Financing close	Financial close announced. Debt financing closed and publicized on November 26, 2007	No firm date for financing close	<u>Investment</u> financing is closed Debt financing being arranged	March 2008
African ownership	>90% of investment (21 out the 25 operators are from Africa)	Final ownership not yet publicized	75% if IPS considered African, 50% otherwise	>70%
Project Capacity and Exit Gateways Considerations				
Capacity	640Gbps	3800Gbps	1280Gbps	Up to 1280Gbps
Gateway Connecting Points	Cable-connecting landing points identified in Sudan, South Africa	Americas, Europe, Middle-East, India (actual landing points not yet identified)	Cable-connecting landing points identified in France, India, South Africa	Cable-connecting landing points identified in Kenya and UAE
Known landing points	Port-Sudan, Djibuti, Mombasa, Dar es Salaam, Maputo, Toliary, Mtunzini.	Coastal countries who signed the Kigali Protocol (Tanzania, Madagascar, South Africa, Mauritius)	Marseilles, Cairo, Mombasa, Dar es Salaam, Maputo, Toliary, Mtunzini, Mumbai	Mombasa, Fujaira
Project Construction Considerations				
Expected Construction Start	End 2008	Feasibility study stage (NEPAD, SP.com and South Africa's Infracore) No clear date for start of construction	Start of construction publicized on 15 November 2007	December 2007

Submarine Cable Initiative	EASSy	NEPAD Submarine SPV (Baharicom)	SEACOM	TEAMS
Official delivery date	End 2009	Before 2010	June 2009	May 2009
Marine survey	Preliminary marine survey carried out	No date yet	Already carried out (partly)	Already carried out by Tyco
Construction contract	Already awarded (Alcatel Lucent)	RFP not yet formulated	Already awarded (Tyco)	Already awarded (Alcatel Lucent)
Cable ship availability	Alcatel Lucent has pledged a cable ship – currently undergoing negotiations over start dates.	None publicized yet and no documentation available	Tyco has pledged a cable ship	Alcatel Lucent has pledged a cable ship

Annex 2: Project Preparation and Supervision
Regional Communications Infrastructure Program (RCIP) APL3

	Planned	Actual
PCN review	April 22, 2008	May 21, 2008
Initial PID to Infoshop	May 6, 2008	October 9, 2008
Initial ISDS to Infoshop	May 6, 2008	July 17, 2008
Appraisal	April 16, 2009	April 20 – May 1, 2009
Negotiations	April 23, 2009	May 4 – 21, 2009
Board/RVP approval	May 28, 2009	
Planned date of effectiveness		
Planned date of mid-term review		
Planned closing date		

Key institutions responsible for preparation of the project:

- Malawi: Ministry of Information and Civic Education (MICE)
- Malawi Privatization Commission
- Malawi Malawi Communications Regulatory Authority (MACRA)
- Mozambique: Ministry of Science and Technology (MST)
- Tanzania: Ministry of Communication, Science and Technology (MCST)
- Tanzania: President's Office – Public Service Management (PO-PSM)

Two PPAs (for Tanzania and Mozambique) have been provided to assist in the Project Preparation.

An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) have been prepared for the overall program, funded by three Japanese Grants. The ESMF and RFP specific to Malawi, Mozambique and Tanzania had been prepared and was disclosed and sent to the Infoshop prior to Appraisal.

Bank staff and consultants who worked on the project included:

NAME	TITLE	UNIT
Doyle Gallegos, Team Leader	Lead ICT Policy Specialist	CITPO
Isabel Neto, Co-Team Leader	ICT Policy Specialist	CITPO
Mark D.J. Williams, Co-Team Leader	Sr. Economist	CITPO
Peter Silarszky, Co-Team Leader	Sr. Economist	CITPO
Angelique De Plaa	Sr. Economist	CFPIR
Antonio L. Chamuco	Procurement Specialist	AFTPC
Antonio Nucifora	Sr. Economist	AFTP1
Arleen Seed	Sr. eGovernment Specialist	CITPO
Bella Lelouma Diallo	Sr. Financial Management Specialist	AFTFM
Boris Enrique Utria	Sector Leader	AFTEG
Brian Mtonya	Consultant	AFTFP
Cecile Ramsay	Operations Adviser	AFTQK
Chiyo Kanda	Sr. Operations Officer	AFCE1

Chrissie Kwamendo	Operations Officer	AFMMW
David Satola	Sr. Counsel	LEGPS
Diep Nguyen-Van Houtte	Sr. Operations Officer	AFCRI
Dieter E. Schelling	Lead Transport Specialist	AFTTR
Donald Mphande	Sr. Financial Management Specialist	AFTFM
Donald Paul Mneney	Sr. Procurement Specialist	AFTPC
Edith Ruguru Mwenda	Sr. Counsel	LEGAF
Elvis Teodoro Bernado Langa	Consultant	AFTFM
Esther Lozo	Executive Assistant	AFCMW
Eugene McCarthy	Consultant	CITPO
Fenwick M. Chitalu	Financial Management Analyst	AFTFM
Francis Ato Brown	Sector Leader	AFTU1
Francis Kanyerere Mkandawire	ET Consultant	AFTFM
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Gert Van Der Linde	Lead Financial Management Specialist	AFTFM
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Mavis Ampah	Sr. ICT Policy Specialist	CITPO
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Paolo B. Zacchia	Lead Economist	AFTP2
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Ruth Selegebu	Team Assistant	AFCE1
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Thandiwe Lungiswa Gxaba	Sr. Environmental Specialist	AFTEN
Vildan Verbeek-Demiraydin	Sr. Economist	AFTRL
Warren Waters	Regional Environmental & Safeguards Advisor	AFTQK

Bank funds expended to date on project preparation:

1. Bank resources: US\$575,647.50
2. Trust funds:
3. Total: US\$575,647.50

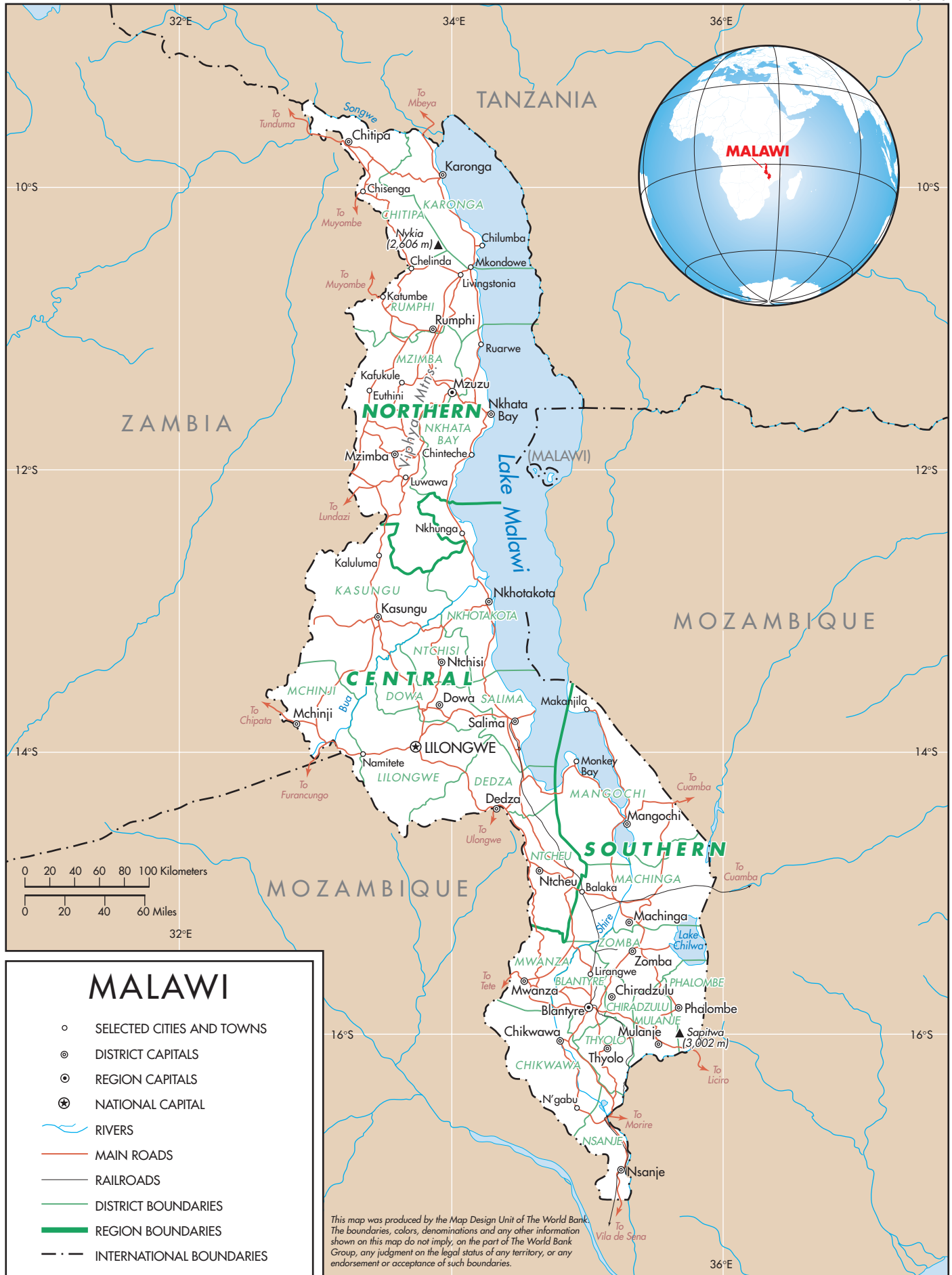
Estimated Approval and Supervision costs:

1. Remaining costs to approval: \$0.00
2. Estimated annual supervision cost:\$225,000.00

Annex 3: Documents in the Project File
Regional Communications Infrastructure Program (RCIP) APL3

1. PCN Review Meeting Package	May, 21, 2008
2. Minutes of PCN Review Meeting	July 18, 2008
3. Project Information Document (Concept Stage)	October 9, 2008
4. Integrated Safeguards Datasheet (Concept Stage)	July 17, 2008
5. QER Meeting Package	February 12, 2009
6. QER Meeting Cleared Report	February 19, 2009
7. Signed Agreement for the PPA Q661 (Tanzania)	February 12, 2009
8. Disbursement Letter pertaining to PPA Q661	February 12, 2009
9. Signed Agreement for the PPA Q622 (Mozambique)	July 22, 2008
10. Disbursement Letter pertaining to PPA Q622	July 22, 2008
11. Extension Package for PPA Q 622 (Mozambique)	March 11, 2009
12. Aide Memoire & Management Letter Malawi RCIP Preparation Mission	June 2008
13. Aide Memoire & Management Letter Mozambique RCIP Preparation Mission	September 2008
14. Aide Memoire & Management Letter Tanzania RCIP Preparation Mission	December 2008
15. Financial Management Assessment (Malawi)	January 2009
16. Financial Management Assessment (Tanzania PPA)	February 2009

MAP SECTION



TANZANIA

- SELECTED CITIES AND TOWNS
- ⊙ PROVINCE CAPITALS
- ⊕ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- PROVINCE BOUNDARIES
- - - INTERNATIONAL BOUNDARIES

