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IDA/R2018-0311/1

September 11, 2018

**Closing Date: Friday, September 28, 2018
at 6:00 p.m.**

FROM: Vice President and Corporate Secretary

**Comoros - Comoros Project Under the Fourth Phase of the
Regional Communications Infrastructure Program**

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional grant to Comoros for the Comoros Project Under the Fourth Phase of the Regional Communications Infrastructure Program (IDA/R2018-0311), which is being processed on an absence-of-objection basis.

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Report No: PAD2823

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR 7.2 MILLION
(US\$10 MILLION EQUIVALENT)

TO THE UNION OF THE COMOROS

FOR THE

COMOROS PROJECT UNDER THE FOURTH PHASE OF THE REGIONAL
COMMUNICATIONS INFRASTRUCTURE PROGRAM

September 7, 2018

Digital Development Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective July 30, 2018)

Currency Unit = KMF

421 KMF = US\$1

US\$ 1.0 = SDR 0.71

FISCAL YEAR

January 1 - December 31

Regional Vice President: Hafez M.H. Ghanem

Country Director: Paul Nounba Um

Global Practice Director: Boutheina Guermazi

Practice Manager: Jane Treadwell

Task Team Leader: Tim Kelly

ABBREVIATIONS AND ACRONYMS

ABGE	<i>Projet d'Appui à la Bonne Gouvernance Economique</i> (Project for Supporting Good Economic Governance)
ACTIC	<i>Association Comorienne des TIC</i> (Comorian ICT Association)
AF	Additional Financing
ANRTIC	<i>Autorité Nationale de Régulation Des Technologies de l'Information et de la Communication</i> (National Authority for the Regulation of Information and Communication Technologies)
CC	Comores Cables
ccTLD	Country Code Top Level Domain
CERT	Cybersecurity Emergency Response Team
CIDC	Comoros Integrated Development and Competitiveness Project
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CREF	Cellule de réformes économiques et financières (Unit for follow-up of Economic and Financial Reforms)
CSOs	Civil Society Organizations
CT	Comores Telecom
DA	Designated Account
DLFI	Disbursement Letter and Financial Information
DNS	Domain Name System
DPO	Development Policy Operation
E&SA	East & Southern Africa
EASSy	Eastern and Southern Africa Submarine Cable System
e-GOV	E-Government
EIA	Environmental Impact Assessment
FCC	<i>Fédération des Consommateurs Comoriennes</i> (Federation of Comorian Consumers)
FDI	Foreign Direct Investment
FLY-LION 3	FLY-Lower Indian Ocean Network, Phase 3
FM	Financial Management
FY	Fiscal Year
GoUC	Government of the Union of the Comoros
ICT	Information and Communication Technologies
IDA	International Development Association
IDI	ICT Development Index
IFC	International Finance Corporation
IFR	Interim Financial Report
IRU	Indefeasible Rights of Use
ISP	Internet Service Providers
ISR	Implementation Status and Results Report
ITU	International Telecommunication Union
IXP	Internet Exchange Point
KMF	Comorian Francs
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MoF	Ministry of Finance
MoPTTT	Ministry of Posts and Telecommunications, Promotion of New ICTs, Transport and Tourism

PAD	Project Appraisal Document
PCN	Project Concept Note
PDO	Project Development Objective
PFM	Public Financial Management
PIU	Project Implementing Unit
PPA	Project Preparation Advance
RCIP-4	Regional Communication Infrastructure Program – Fourth Phase
SDG	Sustainable Development Goals
SDR	Special Drawing Right
SGG	Secretary-General of Government
SIDS	Small Island Developing State
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
SSA	Sub-Saharan Africa
TA	Technical Assistance
TDS	Total Debt Service
Telco	Telma Comores
TOR	Terms of Reference
TTL	Task Team Leader
UIT	Institut Universitaire de Technologie (University Institute of Technology)
UoC	Union of the Comoros
US\$	United States Dollar
WBG	World Bank Group

BASIC INFORMATION – PARENT (RCIP4 - Regional Communications Infrastructure Program - APL 4 (RI) - P118213)

Country Africa	Product Line IBRD/IDA	Team Leader(s) Timothy John Charles Kelly		
Project ID P118213	Financing Instrument Investment Project Financing	Resp CC GDD11 (9386)	Req CC AFRVP (209)	Practice Area (Lead) Transport & Digital Development

Implementing Agency: Bureau RCIP-4 (4th Phase of the Regional Communications Infrastructure Program)

Is this a regionally tagged project? Yes	Country (ies)
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Bank/IFC Collaboration No

Approval Date 10-Sep-2013	Closing Date 31-Dec-2019		Original Environmental Assessment Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
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Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Development Objective(s)

The development objectives of this project, in line with the overall RCIP program, are to support the Recipient's efforts to lower prices for international capacity and extend the geographic reach of broadband networks.

Ratings (from Parent ISR)

	Implementation				
	23-Feb-2017	25-Jul-2017	27-Jan-2018	17-Feb-2018	08-Jun-2018
Progress towards achievement of PDO	MS	S	S	S	S
Overall Implementation Progress (IP)	MS	S	S	S	S
Overall Safeguards Rating				MU	S
Overall Risk	S	S	S	S	S

BASIC INFORMATION – ADDITIONAL FINANCING (Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program - P166737)

Project ID P166737	Project Name Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints No
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 28-Sep-2018	
Projected Date of Full Disbursement 30-Sep-2021	Bank/IFC Collaboration Yes	Joint Level Complementary or	

		Interdependent project requiring active coordination	
Is this a regionally tagged project?		Country (ies)	
Yes		Africa, Burundi, Kenya, Comoros, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, Uganda	

Financing & Implementation Modalities

<input checked="" type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD				<div></div>	%
IDA	22.00	19.02	1.15	<div></div>	94 %
Grants				<div></div>	%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program - P166737)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
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Total Project Cost	22.00	10.00	32.00
Total Financing	22.00	10.00	32.00
of which IBRD/IDA	22.00	10.00	32.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	10.00
IDA Grant	10.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Total Amount
Africa	0.00	3.00	3.00
Regional	0.00	3.00	3.00
Comoros	0.00	7.00	7.00
Regional	0.00	7.00	7.00
Total	0.00	10.00	10.00

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any other Policy waiver(s)?

☐ Yes ☒ No

INSTITUTIONAL DATA

Contributing Practice Areas

Finance, Competitiveness and Innovation

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Timothy John Charles Kelly	Team Leader (ADM Responsible)	Task Team Leader	GDD11
Sylvain Auguste Rambeloson	Procurement Specialist (ADM Responsible)	Procurement	GGOPF
Maharavo Harimandimby Ramarotahiantsoa	Financial Management Specialist	FM specialist	GGOAC
Andrianjaka Rado Razafimandimby	Team Member	Safeguards specialist	GSU20
Edith Ruguru Mwenda	Counsel	Country lawyer for regional programs	LEGAM
Isabella Maria Linnea Hayward	Team Member	Demand stimulation component	GDD11
Jacqueline Beatriz Veloz Lockward	Team Member	Legal specialist	LEGLE
Paul-Jean Feno	Environmental Safeguards Specialist	Safeguards specialist	GEN07

Peter F. B. A. Lafere	Social Safeguards Specialist	Safeguards specialist	GSU01
Razafimahefa Iolinjaka	Team Member	FM assistant	AFMMG
Extended Team			
Name	Title	Organization	Location

AFRICA

ADDITIONAL FINANCING FOR THE COMOROS PROJECT UNDER 4TH PHASE OF THE REGIONAL
COMMUNICATIONS INFRASTRUCTURE PROGRAM

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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. This Project Paper seeks the approval of the Executive Directors to extend to the **Union of the Comoros (GoUC) an Additional Financing (AF) grant in the amount of US\$10 million, for the Comoros Project under the Fourth Phase of the Africa Regional Communications Infrastructure Program APL4 (RCIP-4) (P118213) (Grant H878-KM)**. An official request was received on September 27, 2017, proposing a scale-up and extension of successful activities intended to stimulate demand for connectivity services (Sub-components 2.2 and 2.3). AF is also requested to reinforce activities that support an enabling policy and regulatory environment (Component 1) and for project management (Component 3), underfunded due to a budget shortfall, owing to exchange rate losses sustained during the first phase of program implementation. The Project Paper also proposes a restructuring to (i) change components and costs; (ii) revise the results framework; (iii) revise disbursements arrangements; and (iv) extend the closing date to from December 31, 2019 to June 30, 2021.

A. *The Project's original objectives, design, and scope*

Program objective

2. **The overall project development objective (PDO) is “to support the Recipient’s efforts to lower prices for international capacity and extend the geographic reach of broadband networks”**, in keeping with the aims of the wider regional program, launched in 2007. This objective is unchanged under this AF. The wider regional IDA operation aims to: (i) accelerate the roll-out of regional fiber optic infrastructure; and (ii) finance the advanced purchase of broadband capacity for use by Governments and other targeted users (schools, universities, community associations, etc.), and to finance related activities, such as implementation of e-Government (e-GOV) applications.

Program design

3. **In the absence of robust regional ICT infrastructure, the Union of the Comoros (UoC) has remained isolated and unconnected to regional networks and markets.** Like many small islands developing states (SIDS), Comoros faces huge challenges, in terms of connectivity, due to its remote location and the small size of its economy, which means there is little scope for economies-of-scale.

4. **However, until recently, it was the absence of competition and weak regulation that best explains the failure of the market to drive down prices and expand access to ICT services, relative to other islands states in the region that continue to outperform Comoros in terms of key ICT indicators).**¹ Until 2015, Comoros was one of only a handful of countries to have retained a state-owned monopoly in the ICT sector – a legacy which continues to hamper full market liberalization. RCIP-4 has remained committed to providing policy and regulatory support to boost competition, ensuring that new infrastructure is accessible to all service providers

¹ Comoros is currently ranked 164 out of 176 countries in terms of ICT sector development, according to the International Telecommunication Union’s (ITU) ICT Development Index (IDI). In terms of pricing, Comoros is among the worst performing in the region. Despite the price reductions achieved through the project, Comoros ranks second to last, the cost of a typical basket of calls is equivalent to around 14 percent of GNI per capita. Comoros’s broadband services are also among the most expensive in Africa. Fixed internet penetration is estimated to be a mere 5.1 percent for households according to ITU (figures from June 2017). By comparison, the Seychelles and Mauritius have a broadband penetration rate of 57.9 percent and 53.2 percent, respectively. For mobile communications, the cost of a typical basket of calls is equivalent to around 14 percent of GNI per capita. Mobile broadband services are also among the most expensive in Africa, costing 14.5 percent and 18.2 percent of GNI per capita for 500MB and 1 GB, respectively.

on open, transparent, and non-discriminatory terms.

5. **The project has sought to close the persistent connectivity gap, through a combination of supply- and demand-side interventions, in line with the design of the overarching regional framework.** Supply-side investment support is being provided to finance Comoros’ membership of, and participation in, the FLY-LION 3 regional submarine cable that will run from Moroni to Mayotte, with an extension to Madagascar, to expand access to broadband. On the demand-side, a program has been developed and successfully rolled out to stimulate market demand for connectivity services among target users, including through the advanced purchase of broadband capacity.

Scope: Core program components

6. **The original US\$22 million program, which became effective in November 2013, comprised three core components**, as shown in the table below:

Table 1. Existing project components under RCIP-4

Component 1: Enabling Environment (US\$3.3 million):

Promoting further regional market integration, sector liberalization and legal and regulatory reforms. Assisting the government with the submarine cable FLY-LION 3, including environmental studies, feasibility studies and demand analysis.

Component 2: Connectivity (US\$17 million):

- 2.1. Financing Comoros’s membership and participation in the FLY-LION 3 cable consortium;
- 2.2. Providing demand stimulation through the advance purchase of capacity for target beneficiaries;
- 2.3. Additional measures to stimulate demand: promoting the creation of new Internet Service Providers (ISPs) and establishing an Internet Exchange Point (IXP).

Component 3: Project management (US\$1.5 million, plus US\$0.2m in contingency funds):

Supporting project management, including coordination, training, equipment, procurement, financial management, audit monitoring and evaluation, etc.

B. *Project status*

7. **The World Bank Group (WBG) is currently the only development actor working to support the development of the domestic ICT sector – a sector that has been identified as instrumental to wider private sector growth and poverty reduction efforts.** RCIP-4 is also the largest WBG project being implemented in the UoC and, despite some initial delays, the project is now rated as “satisfactory” – exceeding all but one of its targets, with disbursement at 94 percent (as of August 2018). In fact, disbursement in FY17/18 was a record for Comoros, reaching over US\$12 million. The project is currently in compliance with all legal covenants and financial reporting requirements, and rated as “satisfactory” in terms of safeguards.

8. **The project has a solid track record of facilitating market and policy reform, successfully supporting the progressive liberalization of the local telecom market, and unlocking sector development** (see the ‘economic analysis’ section). Notable successes include the passage of the 2014 Communications Act, the licensing of a second operator in 2015 (Telma Comores), and the partial liberalization of the ISP market. With the introduction of competition, the penetration of mobile users has more than doubled (compared with figures recorded at the start of the project), with the new entrant gaining a quarter of the market share within its first year of operation. In an economy otherwise dominated by state-owned enterprises and a legacy of little to no competition, the telecoms sector is now experiencing rapid, private sector-led growth for the first time, with improved prospects for foreign direct investment (FDI). The Comoros project, under RCIP-4, has been a textbook example of

maximizing finance for development. To date, a commitment of US\$22 million from IDA has leveraged over US\$90 million in license fees and private-sector led infrastructure investment.

9. **Nevertheless, challenges remain vis-à-vis fostering an enabling environment (Component 1), which hamper further investment.** The incumbent (Comores Telecoms (CT)), has lost market share, and is operating with unsustainable levels of both staff and debt. Privatization of CT was envisioned under the original program, but was postponed ahead of the 2016 elections, due to feared job losses. However, following a change in top-level management, in February 2018, CT now appears to be more open to the idea of restructuring, and launched a new 4.5G mobile service in July 2018. Capitalizing on this window of opportunity for restructuring should be a top-priority for the Government. Other pending market issues, which need to be resolved, include: (a) providing options for the restructuring of Comores Cables – the Special Purpose Vehicle (SPV) created to commercialize connectivity from the new FLY-LION 3 cable (see ‘Appraisal Summary’); (b) achieving full interconnectivity amongst operators, including the introduction of guidelines for infrastructure-sharing; (c) establishing efficient and equitable licensing fees (e.g. in relation to spectrum) and sectoral tax policy; and (d) supporting the authorization of additional ISPs and closed-user group networks, and stimulating the creation of new ISPs (Sub-component 2.3). To date, three ISP licenses have been awarded – one short of the target set by the project. Unfortunately, this incomplete market reform agenda deters investors, which include the International Finance Corporation (IFC), which is planning a US\$16 million investment in Telma Comores.

10. **Construction work for the northern portion of the new FLY-LION 3 cable, from Moroni to Mayotte, is due to be completed in 2018.** Once completed, the cable should greatly increase internet capacity for the islands, as well as provide redundancy of routing. Construction of a new FLY-LION3 landing station, in Moroni, is also about to commence, and will also house a new Internet Exchange Point (IXP), funded through the project.

11. **In FY17/18 the project successfully rolled-out of the *Demand Stimulation Program* (under Sub-components 2.2 and 2.3).** ICT equipment, computers, as well as connectivity has been supplied to schools, university campuses, local government offices (mairies) and community associations, based on an indefeasible right of use (IRU) arrangement, to create a sustainable and growing customer base. This initiative has helped increase access to ICT in schools by over 10 percent, nationwide, and spurred actions by education authorities to integrate more digital tools in education. New Community Information Centers (CICs), hosted by local government offices and community associations, have also created spaces where local communities can acquire foundational digital skills, allowing them to begin reaping the benefits of the wider digital economy.

C. *Rationale for Additional Financing*

12. **Part of the total additional US\$10 million requested, is intended to cover exchange rate losses encountered since the grant was approved in 2013,** due to the devaluation of the Special Drawing Right (SDR) against the US Dollar (US\$). In December 2017, exchange rate losses amounted to over US\$2 million, so certain items were cancelled from the budget for 2018, including the co-working space and purchase of additional internet capacity. This funding will thus be channeled towards these activities outlined as part of the original program, including targeting outstanding market and regulatory issues, detailed above. Resolving pending market issues will be important not only for sectoral development, but also in terms of setting a positive precedent for private sector development, competition and foreign direct investment (FDI) in Comoros, more broadly.



13. **The original Project Appraisal Document (PAD) envisioned a possible second phase of demand-side programming, including the digitization of public administration and government services.** This also features as a critical demand-stimulation intervention under the regional RCIP-framework, aimed at bringing the public online. Given the success of the present *Demand Stimulation Program*, a scale-up of related activities is merited to expand assistance to central government ministries, department and agencies (MDAs). Government MDAs sorely lack access to connectivity services and are yet to benefit from the Program.

14. **By both expanding government connectivity and introducing primary technical solutions as well as basic ICT infrastructure, that lay the foundation for the initial digitization of public administration, the AF requested will help set the UoC on the path towards digital transformation.** All new activities proposed below stem from the request made by the Government and are aligned with the nation's digital development aspirations, detailed in the *Comores Numérique Strategy, 2018-2028*. This strategy recognizes the transformational impact of digital technology in terms of boosting productivity, innovation, as well as supporting economic diversification and growth of strategic sectors, such as tourism – highlighting the expansion of digital government applications, as well as support for cybersecurity, digital entrepreneurship and digital skills as critical priority areas.

15. **The activities proposed are consistent with the current World Bank Group's Country Partnership Strategy (CPS) FY14-FY17 (Report #82054-KM), discussed by the Board in April 2014,** that supports stronger governance, public-sector capacity, ICT innovation and entrepreneurship. Capacity injection (under Component 1), initial digitization of the Government (under Sub-component 2.2) and planned support for ICT entrepreneurship (under Sub-component 2.3) are all pertinent.

II. DESCRIPTION OF ADDITIONAL FINANCING

A. Change in Components and Costs

16. **The main components remain unchanged under the AF, however, individual activities will be scaled up and new activities added using AF:**

(a) **Component 1: Enabling Environment – originally US\$3.3 million.** An additional US\$0.7 million is requested, which will support the provision of technical assistance (TA), training and capacity building (under Sub-components 1.1 to 1.2) geared towards: (i) resolving pending market issues, detailed above; and (ii) supporting new activities, related to expanding Government connectivity and digitization, detailed further below. The latter will, *inter alia*, include regional benchmarking and study visits, which allow the GoUC to leverage regional best practice in government digitization. Tailored TA will also help the GoUC to create an enabling environment for initial government digitization, including developing relevant regulation, policy guidelines and governance frameworks, in areas such as cybersecurity, supporting interoperability and streamlining of business processes in line with best practice. The project will also seek to convene key stakeholders through workshops – allowing Government to agree on a joint approach or 'roadmap' for the future deployment of more advanced e-service applications (such as identity management). Efforts will be made to crowd in ideas from users, including the private sector, the public and diaspora. Targeted training will be provided to staff, who are set to manage new applications, to bridge existing knowledge gaps. While the agenda under Component 1 is ambitious, the AF requested should be sufficient, as some funding from the original program is still available.

(b) **Component 2: Connectivity – originally US\$17 million.** An additional US\$8.5 million is requested, which will be used to fund scale-up of demand-side interventions (under existing Sub-components 2.2 and 2.3),



particularly within Central Government and the private sector:

(i) Component 2.2: Demand stimulation for targeted beneficiary institutions

- **Bandwidth for central government from regional cables** (US\$1.4 million). Advance purchase of international internet bandwidth will be expanded to cover an additional target user group - central government MDAs - acquiring an indefeasible right of use (IRU) for internet connectivity for a minimum of five years. In the short-term, this subsidy will provide an anchor tenant, encouraging private sector investment in the expansion of connectivity services offered. It will also support the introduction of new digital government applications, detailed below, which will sustain broader long-term demand.
- **Governance of the .km country code top-level domain (ccTLD)** (US\$0.2 million). TA will be provided, allowing the domain to be formally transferred to the Regulator, ANRTIC. Until the arrival of competition, CT was the *de facto* manager for the .km domain. Greater use of the .km ccTLD, together with the development of a local IXP, will allow the country to manage more traffic locally, reducing the costs of expensive transit of traffic through Europe, and making connectivity more affordable for local consumers. The .km domain is not currently in wide use, but with the activation of a .km government email server, and the launch of more commercial ISPs and .km registrars, it should grow significantly.
- **Government network, back-up data center and eMail service** (US\$1.5 million). A dedicated government network, email server and back-up data center will be introduced, as a first step, to digitize internal and external official government communication, using the .km domain. This basic digital infrastructure will form part of an interoperable and secure foundational e-platform, that leverages pre-requisite technology such as an enterprise service Bus (ESB) and web services (APIs). Introducing an official email will reduce the risk of fraud and corruption, as well as data loss, associated with the current use of personal webmail. A new data center will safeguard government data storage, by providing a back-up facility. A recent fire, destroying the Union Treasury and the government central data center, illustrates the urgency of securing governmental data through digitization.
- **Cybersecurity** (US\$0.2 million). Foundational cybersecurity tools and processes will be introduced, such as establishing a regional Cybersecurity Emergency Readiness Team (CERT), supported by awareness-raising and cybersecurity training for government staff under Component 1. This will protect newly digitized government services and data, safeguarding nascent digital government infrastructure introduced, from cybercrime and fraud etc. It will also help boost trust in digital service, such as e-commerce, which can contribute to the growth of the digital economy. Initiatives implemented will be underpinned by regional information-sharing and informed by regional best practice.
- **E-Visa** (US\$1.2 million in AF). TA, as well as software and hardware, will be provided to introduce a basic e-Visa system that supports online visa applications, digitized records and processing. Business process simplification will be supported to facilitate automation. To date, no governmental e-services have been introduced in the UoC, contributing to a large knowledge gap. This activity is thus proposed as one of the 'showcase projects', encouraging wider application and uptake of digital tools within government, informing strategic thinking and application of best practice. This pilot project features in the *Comores Numérique* strategy and is viewed as supporting a critical sector (i.e. tourism). Moreover, the activity is in keeping with the regional nature of the overall programmatic framework, by facilitating regional travel, trade and connectivity.
- **Additional activities to promote eGovernment (US\$3.5 million in AF)**. These activities are aligned with "Orientation 10" in the *Comores Numérique* strategy, and could include a platform for online registration of businesses, an eCommerce register, an eProcurement platform, a website to allow



citizens to file taxes online, a government interoperability platform, and a coordinating agency for eGovernment initiatives.

(ii) Component 2.3: Promotion of Internet Service Providers and an Internet Exchange Point

- **ICT innovation and entrepreneurship: Co-working space** (US\$0.5 million). A dedicated co-working space will be created that provides a conducive environment for ICT business innovation and training. Early planning and scoping for this activity was carried out under the original program. Premises were identified, but implementation was thwarted by a lack of funding. The main co-working space would be located in Moroni, with subsidiary activities (e.g. website development competitions and mentoring schemes) rolled out in Anjouan and Moheli. Related activities will be closely coordinated with the private sector development program (CIDC) - an investment lending program currently at the concept stage - which will provide much broader support for entrepreneurship and innovation. While the team recognizes the need for more sustained support, including start-up incubation and access to financing etc., the co-working space proposed is seen as a critical first step in addressing the existing skills gap – seen as a pre-requisite for innovation.

(c) Component 3: Project Management – originally US\$1.5 million, with US\$0.2 million in contingency funding: Current funding for project management (PM) was fully utilized by the original closing date (June 30, 2018). US\$0.8 million is therefore requested, which will be channeled towards supporting the project management of activities implemented using the AF, including additional training. This AF will replenish the contingency that was used up due to devaluation of the SDR. Efforts will also be made to downsize the current staff of the Project Implementation Unit (PIU), and/or to share positions with other IDA-funded programs, to reduce overhead costs. For example, a reduction in the number of focal points for the *Demand Stimulation Program* is proposed, as well as the elimination of two other positions. A new position for a technical specialist on government applications is proposed, who would liaise closely with government MDAs.

17. Implementation arrangements: No changes are proposed to the fiduciary, management, procurement or institutional arrangements in place, which have generally been working well. The Unit for follow-up of Economic and Financial Reforms (CREF), within the Ministry of Finance (MoF), will remain the responsible agency, supported by the PIU (now solely the PIU for RCIP-4, since the completion and closure of the ABGE program (P102376), in 2016). Synergies are, however, being sought with other PIUs working on World Bank financed projects. It is also possible that the RCIP-4 PIU will take on additional operational responsibilities under the new IDA window, allowing it to expand. The CREF will continue to work closely with the Ministry of Posts and Telecommunications, Promotion of New ICTs, and Transport and Tourism (MoPTPTT) and the Regulator (ANRTIC) – key project beneficiaries. However, given the pan-governmental nature of new activities, such as e-Visas, the GoUC has expanded the membership of the project steering committee to include additional line ministries, including the Ministry of Interior (Mol) and a representative of the Secretary-General of Government.

18. Financing: As the original RCIP-4 program is a regional one - with US\$21 million in Regional IDA, complementing US\$1 million in National IDA – the AF requested is also considered eligible for Regional IDA. It is proposed that the AF will draw upon US\$7.0 million in National IDA, plus US\$3.0 million in Regional IDA. Some new activities would utilize only national IDA, while others would leverage regional IDA in the ratio of 1:2.² (see *detailed breakdown and rationale in Table 2*).

² IDA contribution being over 20 percent of the total IDA. For that reason, a ratio of 1:2 is used.

Table 2. Project cost and Financing

Current Component Name	Current Cost (US\$m)	Proposed Cost (US\$m)	AF (US\$m)	of which National IDA*	of which Regional IDA*	Rationale
1. Enabling Environment	3.3 (of which)	4.0 (of which)	+0.7 (of which)			
1.1 Technical Assistance for legal and regulatory reform, including ISP authorizations and CT reform	1.0	1.6	+0.6	+0.2	+0.4	Continuation of the existing regional project (+ use of existing funds)
1.2 Strengthening of capacity of the regulator, the Ministry and other institutions	1.0	1.1	+0.1	+0.03	+0.07	Continuation of the existing regional project (+ use of existing funds)
1.3-1.6 Completed TAs	1.3	1.3	-	-	-	Completed
2. Connectivity	17.0 (of which)	25.5 (of which)	+8.5 (of which)			
2.1 Comoros membership and participation in the FLY-LION3	12.0	12.0	-	-	-	Completed
2.2 Demand stimulation for targeted beneficiary institutions and ISPs	4.5 (of which)	12.5 (of which)	+8.0 (of which)			
(i) Bandwidth for target user groups (lease) – schools, government etc.	4.5	5.9	+1.4	+0.47	+0.93	Bandwidth supplied through regional cables (EASSy and FLY-LION3).
(ii) Domain Name System	-	0.2	+0.2	+0.07	+0.13	New activity – regional
(iii) GovNet and e-Mail service	-	1.5	+1.5	+1.5	-	Purely national project
(iv) Cybersecurity	-	0.5	+0.2	+0.06	+0.16	New activity – regional
(v) E-Visa	-	1.4	+1.2	+0.4	+0.8	New activity – regional
(vi) eGovernment	-	3.0	+3.5	+3.5	-	Purely national project
2.3 Additional measures to stimulate demand:	0.5 (of which)	1.0 (of which)	+0.5 (of which)			
(i) Establishing an IXP and promotion of ISPs	0.5	0.5	-			(To be completed with existing funds)
(ii) ICT innovation and entrepreneurship	-	0.5	+0.5	+0.5	-	Purely national project
3. Project Management	1.5	2.3	+0.8	+0.27	+0.53	Continuation of the existing regional project
Contingency	0.2					
Total:	22 (21.8)	32.0	+10.0	+7.0 (70.0%)	+3.0 (30.0%)	

*Figures have been rounded to the nearest decimal

B. Change in Results Framework

19. Two results indicators are marked for deletion as they are considered technologically outdated. These are: (a) *Fixed-line internet subscriptions*; and (b) *Fixed mainline subscriptions* – including related intermediary

indicators that reflect usage of the same technology.

20. Based on new activities, under Sub-components 2.2 and 2.3, three new indicators and targets are added:

(a) *Number of E-Systems connected to an interoperable Government-administered digital platform.* The baseline was 0, as of June 2018. The new target is at least 3 – including government email, cybersecurity arrangements and a new e-Visa system.

(b) *Number of female beneficiaries assisted by the co-working space.* The baseline was 0, as of June 2018. The new target is 100. The total number of beneficiaries will be measured, along with share of whom are female. Beneficiaries are defined as unique users of the space, trainees and event attendees, as well as mentees.

(c) *Number of crowdsourced reports from citizens on quality of service for telecommunication services.* The baseline was 0 as of June 2018. The new target is 4. A quality of service observatory has been established to monitor the performance of the telecom operators in different parts of the archipelago. It is intended that reports, based on observations from citizens, would be produced twice-yearly.

21. Given the extension of the project closing date and the addition of new financing, an increase in the target for certain indicators is merited, where existing targets have been exceeded. These include:

(a) *The access rate to internet services, based on subscriptions per 100 inhabitants* – the original target was 7.56; actual rate was 31.8 percent, as of February 2018; and the new target is 37.7 percent by 30 June 2021;

(b) *The total number of internet subscriptions* – the original target was 66,030; the actual number was 253,200, as of February 2018; and the new target is 300,000. To accommodate this, the subsidiary target for mobile internet subscribers is raised to 295,000;

(c) *The total number of mobile subscribers* – the original target was 459,000; the actual number was 530,000, as of February 2018; and the new target is 582,000. Consequently, the number of direct project beneficiaries, measured as the rise in individual subscriptions to ICT services since the project began, is also raised – the original target was 215,000; the actual number was 313,562, and the new target is 365,562.

Intermediate targets that are raised include: (a) *total broadband internet subscriptions* (from the original target of 66,030 to a new target of 300,000, or 37.7 per 100 inhabitants); (b) *total mobile broadband subscriptions* (from 49,500 to 297,000); and (c) *broadband subscriptions as % of all internet subscriptions* (from 12.3 percent to 50 percent).

C. Disbursement Conditions

22. A disbursement condition is proposed for the AF Component 1 to encourage the GoUC to support further sectoral liberalization: *The Government shall ensure that the target for authorization of ISPs is met, with the authorization of at least one additional ISP (four in total).* This disbursement condition would be attached to the US\$0.7 million that supports new activities, under Component 1. The team feels that this target is realistic. The Regulator has been assisted in identifying a potential ISP (SITA) that could be licensed and clarifying any legal ambiguity associated with establishing a new ISP licensing regime, based on the National Communications Act. In April 2018, an expert mission was funded to assist ANRTIC to make progress, and adverts were placed in local and international media in June 2018 to call for additional ISPs.

D. Change in Loan Closing Date

23. The closing date was extended to December 31, 2019, earlier in 2018, and will be extended by a further

18 months to accommodate implementation of the full AF requested, as well as ensure compliance with the above-mentioned disbursement condition. The initial extension was requested to accommodate the new completion timetable for FLY-LION 3 deployment and construction of the new landing station. The new closing date will be 30 June 2021.

E. Change in Disbursements Arrangements

24. **The disbursement profile has been updated to reflect the AF and new closing date proposed.** The original program is currently 94 percent disbursed and is on track to disburse all existing funding. A revised disbursement schedule has been prepared for FY19 to FY21.

III. KEY RISKS

25. **No changes are proposed in relation to the overall risk rating (currently rated as “substantial”).** However, the task team is cognizant of risks specific to the implementation of new activities proposed under the AF, and thus proposes to mitigate them, as indicated below.

26. **Political and Governance – high:** The rating is increased from Substantial to High. There were some unresolved issues over which part of the Government ought to have overall responsibility for digitizing government, prompting the postponement of a World Bank-mission in April 2018. This has now been clarified with the Secretary-General of Government asserting control. Nevertheless, successful project implementation hinges on clarity in leadership, channels for coordination, as well as roles and responsibilities (for strategy versus day-to-day maintenance and service delivery). As noted above, the project will convene stakeholders to help resolve related issues. A new institutional framework has been sketched out in the *Comores Numérique* strategy. The Bank is well-placed to advise the GoUC on international best practice in relation to such governance arrangements.

27. **Macroeconomic impact – substantial:** The country macroeconomic situation is closely related to future plans for the privatization of the historical operator, Comores Telecoms (CT). The risk that privatization may stall remains, which has a ripple effect on the functioning of Comores Cables (CC) (see ‘Appraisal Summary’ section). CT has, for instance, resisted efforts to authorize new ISPs, despite renewed commitment expressed by Government to support a more vibrant and competitive ICT sector. As noted above, new management presents a window of opportunity for reform: a request for assistance was received from CT in March 2018. If privatization is not considered viable, there are still restructuring options that could be pursued in favor of greater market liberalization – e.g. through outsourcing. Long-standing engagement by the project should sustain Government commitment to the unfinished reform agenda and minimize the risk of policy reversals. The GoUC has a track record of responding well to clearly defined targets: All three disbursement conditions under the existing project were met in April 2015. The disbursements condition proposed should thus help in this regard. Moreover, a number of policy reforms have been proposed as triggers in the DPO, including (i) full interconnectivity between CT and Telma, with signed agreement; (ii) consensus and publication on a methodology for calculating spectrum cost recovery fees; and (iii) publication by CT of an audited annual report.

28. **Strategies and Policies – substantial:** Close alignment with the Government’s own draft *Comores Numérique* strategy should help to limit any risks related to conflicting policy priorities. However, for this strategy to be operationalized, a more concrete ‘roadmap’ will need to be elaborated. Proposed workshops and TA support alignment with best practice and a holistic strategic approach to the digitization of public administration. As noted above, close co-operation between RCIP-4 and the new private sector development

(CIDC) project is also anticipated, which will facilitate mutually reinforcing strategies for ICT sector development, supported by the World Bank. The project Steering Committee could also be enlarged to support strategy alignment.

29. **Technical Design – moderate:** Technical design risks are considered moderate, as many key activities proposed are a scale-up of existing ones. The e-Visa application and the co-working space are new departures; however, the team is able to leverage experience from the implementation of similar activities in the region. Moreover, the PIU will be expanded to include a new technical specialist, boosting subject-matter expertise.

30. **Institutional capacity - moderate:** The GoUC's technical capacity to manage and maintain specific new digital applications is weak. However, these gaps will be addressed through targeted TA and training, as outlined above. The MoPTPTT and Regulator are likely to play a major role in implementation. These institutions have already benefitted from five years of capacity building. However, the task team and PIU will also need to continue to build partnerships with other departments and ministries, notably the Secretary General for Government (SGG) (for government email and other eGovernment activities) and the Mol (for the e-Visa program). This is being done notably by enlarging the steering committee to include additional ministries, departments and agencies, and in particular a representative from the office of the SGG. The rating is downgraded from Substantial to Moderate.

31. **Fiduciary risk – moderate:** Although fiduciary risks were previously rated as “substantial”, overall, the existing PIU has a six-year track record of sound financial management and procurement, including a near faultless record of delivering interim financial reports (IFRs) on time. This bodes well for the implementation of the AF. The rating is downgraded from Substantial to Moderate.

32. **Environmental risk – substantial:** Construction of the FLY-LION 3 cable and landing stations, which triggered safeguards policies (see ‘Appraisal Summary’ section), is being carried out under the original project. Expansion of digital government services, encouraged by the project, is likely to raise electricity consumption – increasing the project's carbon footprint, when supplied through non-renewables. However, digitization of related services will also decrease consumption of physical resources (e.g. by reducing travel due to virtual communications). A climate and disaster risk screening has been completed. This concludes that – although Comoros is vulnerable to a wide range of hazards, including volcanic activity, flooding, rising sea levels, tropical cyclones and storm surge etc. – project assets procured using AF are generally not at risk from climatic shocks or future trends. Mitigation measures will also be taken – e.g. locating the new data center on higher ground.

33. **Social – substantial:** The Government has traditionally shied away from interventions that may reduce employment. Restructuring of CT, currently the country's largest employer, is likely to result in redundancies. Efficiency gains in government, resulting from the digitization of public administration, is also likely to trigger job losses. It will also eliminate ghost workers. The project will retrain ICT professionals and foster ICT entrepreneurship, which will help limit unemployment, through the co-working space. Writ large, development of the ICT sector is also expected to boost job creation and access to finance (see below).

34. **The Project continues to be classified as Category B due to the characteristics, magnitude and site-specific environmental and social negative impacts.** Overall, environmental and social risks are rated as “substantial”.

IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

35. **ICT services remain costly for the average consumer.** Poverty is widespread and Comoros continues to rank among the poorest nations in the world. Some 34 percent of the population live below the national poverty line and around 18 percent below the international poverty line (based on 2013-2014 Household Survey data). Lowering prices for ICT services could help boost access. The rationale for public financing is driven by the fact that the market has hitherto been dominated by operations managed by the state. The RCIP-4 program has promoted competitive market entry into the sector. The support provided by the project to demand stimulation has encouraged the private sector to invest.

36. **More reliable and cheaper international communications should help reduce Comoros's isolation, while the introduction of mobile money will reduce the transaction costs of sending remittances.** Comoros faces challenges in terms of connectivity due to its remote location and small economy of scale. Many Comorian nationals have also migrated elsewhere in search of opportunities, due to the country's weak socioeconomic development and turbulent political past. Data from 2012 suggests that some 108,986 Comorian nationals live overseas, mostly in France. Remittances from the sizable diaspora play a critical role in the local economy, contributing some 21 percent to national GDP. Improved communications and a more liberal telecommunications market will greatly reduce the transaction costs associated with these remittances

37. **The unfinished policy agenda – privatization, competition, interconnection and effective regulation – remains critical to achieving the core PDO objective (i.e. reducing prices).** A legacy of state monopoly, poor competition and weak regulation continues to drive poor sectoral performance, high costs and poor service delivery. The focus under the AF, on resolving outstanding policy issues and encouraging greater demand for ICT services, should both help bring down market prices and facilitate a more conducive environment for business. Development of the domestic ICT sector should help drive job creation, economic growth and increase government revenue. The telecoms sector tends to account for a high percentage of GDP in Small Island Economies, and telecommunication operators are often among the largest companies and thus large tax contributors – Comoros is no exception. The indirect economic impacts of ICTs are also significant. ICTs are expected to be a source of new jobs, for instance through microwork, applications development or offshore business process outsourcing (e.g. facilitated through investment in the co-working space), or the promotion of tourism (e.g. through the e-visa pilot). However, the main value added by the WBG through the AF will be in securing existing jobs, particularly in agriculture and in trade.

B. Technical

38. **Implementing the public private partnership (PPP) model, as described in the original PAD, has proved challenging.** The creation of the SPV, Comores Cables (CC), was identified as a means of securing funding from existing and future private operators, channeling contributions to the Comoros portion of the FLY-LION 3 consortium and ensuring open access to FLY-LION 3 capacity (as well as other cable assets). Extensive TA has supported the design of detailed PPP agreements. However, following the postponement of CT privatization, the proposed design proved challenging to fully implement. The GoUC has been reluctant to allow Telma Comores to become a shareholder in CC. Further private sector divestment of both CT and CC is therefore desirable and will be facilitated, using AF, for instance by conducting a study of options for outsourcing. There is a risk that the Government may wish to reintroduce certain areas of exclusivity in the market, for instance in international voice or data communications. This can be mitigated using conditions in future Development Policy Operations.



39. **A majority of the interventions, proposed under the AF, leverage tried and tested tools.** The task team therefore does not foresee any technical challenges as hindering implementation. With reliable and plentiful international bandwidth now secured for Comoros, the use of long-term advanced purchase contracts, targeting Government, should provide a critical anchor tenant, able to decrease bandwidth prices further and encourage further investment. Non-government users are also likely to benefit from the economies-of-scale generated by the project.

40. **The design of a new e-Visa pilot program, and additional eGovernment activities, poses a technical challenge, both in terms adequately securing the systems as well as making them multilingual and user-friendly.** Fortunately, there is plenty of experience of similar projects implemented in the region to draw upon, many of which have been funded under current or past WBG programs.

C. Financial Management

41. **The parent project (P118213) is in compliance with financial management (FM) requirements, and the same arrangements will be utilized for the AF requested.** There are no overdue financial audits or interim financial reports (IFR) - both reports were submitted on time and deemed acceptable. The external auditor's opinion for FY2016 is without qualification. The FM risk has been rated as "moderate", from the outset. However, the FM performance was rated "satisfactory" in the latest ISR, based on the most recent Implementation Support mission (carried out in May 2018). To accommodate the AF, the PIU will be making the following adjustments: (i) upgrading its accounting software; (ii) opening a separate designated account; (iii) adjusting the audit's terms of reference; and (iv) enhancing asset controls at regional level, through regular inventory checks and adherence to clear procedures for safeguarding and remedying asset loss.

42. **The FM arrangements of the PIU were re-assessed in March 2018 to confirm readiness for AF.** This assessment considered the degree to which: (a) reasonable records have been maintained and financial reports have been produced and disseminated, in support of decision-making, management and reporting; (b) funds are available to finance the project; (c) there are reasonable controls over project funds; and (d) independent and suitable audit arrangements have been made. The financial arrangements in place are considered compliant with the *'Financial Management Manual for World Bank-financed Investment Operations'*, updated February 10, 2017. Based on the March assessment the FM team noted the following, in regard to:

- (a) **Staffing** - The existing FM staff will be maintained, with no additional recruitment required.
- (b) **Fund flows and disbursement arrangements** - Disbursements will be made in accordance with the *'World Bank Disbursement Guidelines for Projects'*, dated February 2017. The disbursement letter and financial information (DLFI) will define the applicable disbursement methods and terms applied. The PIU will open a segregated designated account (DA) denominated in KMF for AF fund management.
- (c) **Budgeting, internal controls, accounting and reporting** - The ongoing budgeting, accounting and reporting arrangements as well as the procedures manual of the project will apply to the AF. The project will extend the current accounting system license to incorporate the AF.
- (d) **External financial audit** - The external audit of the AF financial statements will be carried out as part of the parent project's audit. The audit will comply with the International Standards on Auditing.
- (e) **Implementation support plan** - The implementation support mission plan will be aligned with the parent project's schedule, based on the overall residual risk level.
- (f) **Financial Covenants** - The project will submit consolidated IFRs to the World Bank within 45 days of each reporting period. The consolidated financial statements will be annually audited. The report will

be furnished to the Association no later than six months after the end of the project fiscal year.

D. Procurement

43. **The Government has delegated responsibility for procurement to the RCIP-4 PIU, which now has more than six years of experience**, having begun under the ABGE program. The most recent procurement supervision mission was conducted in February 2018. The PIU team has received training in the use of STEP and has begun using it, more consistently. The procurement risk rating at the outset of the Project was “moderate”. The existing project implementation manual was updated in 2017. The PIU is now beginning to use STEP, more consistently. A procurement plan has been adopted by the Steering Committee, that covers procurement until June 30, 2018, the original closing date of the project. A Procurement Project Strategy for Development (PPSD) has been adopted (July 2018) to reflect the implementation of activities under the AF. Specifically, it identifies a number of new procurements that will be undertaken under the AF. A consultant has been hired to assist with preparing terms of reference. Procurement transactions will continue to be carried out in accordance with core World Bank Standards.

E. Social (including Safeguards)

44. **No new social safeguard policies are triggered under the AF.** Under the original program, the main implications for social safeguards arose from the development of the cable landing station in Moroni. Following a public consultation, an abbreviated Resettlement Action Plan (RAP) was submitted to the World Bank. Some squatters and a team of Chinese experts needed to be re-located and were compensated. The no objection for the revised RAP was given by the World Bank on 17 May, and it was published in June 2018. The most recent social safeguards performance tracking report, submitted on March 29, 2018, rated project implementation as “satisfactory”, and this is reflected in the latest ISR.

F. Environment (including Safeguards)

45. **No new environmental safeguard policies are triggered under the AF.** The construction of the FLY-LION 3 cable and landing stations, accommodated by the original project, did trigger environmental safeguards. As noted above, consultants hired to develop the safeguards reports held a public consultation in October 2017 and thereafter produced an Environmental and Social Management Plan (ESMP). All the environmental and social mitigation measures required during the civil works have been included in the bidding document for the landing station and cable deployment. The team will ensure that the Borrower has adequate capacity to supervise mitigation measures during construction.

46. **The overall safeguards rating is “satisfactory”.** It was revised upwards, following the completion of the RAP and Environmental and Social Impact Assessment/Environmental and Social Management Plan (ESIA/ESMP), as well as the appointment of a new PIU Coordinator who was able to designate responsibility for safeguards. To date, safeguards works had been contracted out, in the absence of a dedicated safeguards officer. However, hiring a full-time safeguards expert is recommend and should be possible if the RCIP-4 PIU takes on further WBG projects in the pipeline. The safeguards policy OP/BP7.60 Projects in Disputed Areas has been dropped for the additional financing as no new construction work is planned in the Mozambique Channel.

47. **As noted above, a climate and disaster risk screening has been carried out for the AF and corresponding mitigation measures will be incorporated in the project design.** The team notes that key activities implemented under the AF will help expand access and uptake of ICT tools and services that can help shape digital solutions to adaption and mitigation – e.g. through digital emergency cash transfers and dissemination of public information.

G. Other safeguards measures

48. **The overall program also has a number of citizen engagement measures, specifically:**

- Through a crowdsourced quality of service observatory, whereby individual users can report on their everyday experience of using telecommunication services in Comoros.
- Through the co-working space. Participation in the co-working space, and the events it organizes is one of the new indicators. The co-working space is open to all.
- The PIU maintains a website and published a newsletter

V. WORLD BANK GRIEVANCE REDRESS

49. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org

VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Safeguard Policies Triggered	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Cancellations Proposed		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Enabling Environment: promote further regional market integration, sector liberalization (through the award of a second license), and legal and regulatory	3.30	Revised	Enabling Environment: promote further regional market integration, sector liberalization (through the award of a second	4.00



reforms.			license), and legal and regulatory reforms.	
Connectivity: finance Comoros's membership and participation in the FLY cable and provide demand stimulation through advance purchase of capacity, promotion of ISPs and establishing an IXP.	17.00	Revised	Connectivity: finance Comoros's membership and participation in the FLY cable and provide demand stimulation through advance purchase of capacity, promotion of ISPs and establishing an IXP.	25.00
Project management: support to finance project management costs including project coordination, procurement, financial management, monitoring & evaluation, etc.	1.50	Revised	Project management: support to finance project management costs including project coordination, procurement, financial management, monitoring & evaluation, etc.	3.00
TOTAL	21.80			32.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-H8780	Effective	30-Jun-2018	31-Dec-2019	30-Jun-2021	30-Oct-2021

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed

IDA-H8780-001 | Currency: XDR

iLap Category Sequence No: 1	Current Expenditure Category: GD,WK,CS,TR,OP-PRT1,2.2,2.3,3			
3,562,081.00	3,289,818.37	3,562,081.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: CONSORTIUM FEE-PRT 2.1			



7,790,000.00	6,769,535.01	7,790,000.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: LEASE OF CAPACITY-PRT 2.2		
2,660,000.00	2,236,222.60	2,660,000.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: PPF REFINANCING		
287,919.00	287,918.93	287,919.00		
Total	14,300,000.00	12,583,494.91	14,300,000.00	

DISBURSEMENT ARRANGEMENTS

Change in Disbursement Arrangements

Yes

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2014	213,530.00	213,530.00
2015	741,800.00	955,330.00
2016	981,620.00	1,936,950.00
2017	1,381,700.00	3,318,650.00
2018	1,509,990.00	4,828,640.00
2019	1,456,300.00	6,284,940.00
2020	1,586,660.00	7,871,600.00
2021	1,583,530.00	9,455,130.00
2022	320,690.00	9,775,820.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Substantial	● High



Macroeconomic	● Substantial	● Substantial
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Moderate
Fiduciary	● Substantial	● Moderate
Environment and Social	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial
Other	● Substantial	● Substantial
Overall	● Substantial	● Substantial

COMPLIANCE

Change in Safeguard Policies Triggered

Yes

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment OP/BP 4.01	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats OP/BP 4.04	No	No
Forests OP/BP 4.36	No	No
Pest Management OP 4.09	No	No
Physical Cultural Resources OP/BP 4.11	No	No
Indigenous Peoples OP/BP 4.10	No	No
Involuntary Resettlement OP/BP 4.12	Yes	Yes
Safety of Dams OP/BP 4.37	No	No



Projects on International Waterways OP/BP 7.50	No	No
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Projects in Disputed Areas OP/BP 7.60	Yes	No
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LEGAL COVENANTS – Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program (P166737)

Sections and Description

No information available

Conditions

Type	Description
Disbursement	No withdrawal shall be made under category 1 until the Recipient has, in form and substance satisfactory to the Association, implemented appropriate legal measures to meet the target for authorization of ISPs, as shall be evidenced by the authorization of at least one additional ISPs, bringing the total to a minimum of four.



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Africa

Additional Financing for the Comoros program of the 4th Phase of the Regional Communications Infrastructure Program

Project Development Objective(s)

The development objectives of this project, in line with the overall RCIP program, are to support the Recipient's efforts to lower prices for international capacity and extend the geographic reach of broadband networks.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline 2019	End Target 2020
Support the recipient's effort to lower prices for international connectivity (Action: This Objective is New)			
International Internet Bandwidth (Text)		175.00	3,611.00
Action: This indicator has been Revised			
International Internet Bandwidth per inhabitant (Text)		232.00	4.13
Average price of wholesale internet capacity (Amount(USD))		5,500.00	1,000.00
Support the recipient's efforts to extend the reach of broadband networks (Action: This Objective is New)			
Access to Internet Services (number of subscribers per 100 people) (Number)		0.70	37.70



Indicator Name	DLI	Baseline 2019	End Target 2020
Total number of Internet subscriptions (Number)		5,416.00	300,000.00
Mobile internet subscriptions (Number)		0.00	295,000.00
Population (Number)		735,375.00	800,000.00
Fixed-line internet subscriptions (Number)		5,416.00	16,300.00
Total number of mobile subscriptions (per 100 inhabitants) (Number)		27.39	72.75
Fixed mainlines (Number)		23,600.00	18,000.00
Mobile subscriptions (Number)		216,438.00	582,000.00
Direct project beneficiaries (Number)		0.00	365,562.00
Female beneficiaries (Percentage)		50.00	50.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline 2019	End Target 2020
1. Enabling environment (Action: This Component is New)			
Number of licensed ISPs (Number)		1.00	4.00



Indicator Name	DLI	Baseline 2019	End Target 2020
2. Connectivity and demand stimulation (Action: This Component is New)			
Broadband Internet Subscriptions (Number)		150.00	300,000.00
Fixed-line broadband subscribers (Number)		150.00	16,530.00
Mobile broadband subscribers (Number)		0.00	49,500.00
Fixed and mobile broadband subscriptions per 100 inhabitants (Number)		0.02	37.70
Broadband subscribers as a percentage of total ICT subscriptions (Percentage)		0.04	50.00
Number of E-Systems connected to an interoperable Government-administered digital platform (Number)		0.00	3.00
Number of female beneficiaries of the co-working space (Number)		0.00	100.00
Number of crowdsourced reports from citizens on quality of service for telecommunication services (Number)		0.00	4.00
Action: This indicator is New			

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
International Internet Bandwidth		ANRTIC	ANRTIC		Annual



International Internet Bandwidth per inhabitant		ANRTIC	ANRTIC		Annual
Average price of wholesale internet capacity		ANRTIC	ANRTIC		Annual
Access to Internet Services (number of subscribers per 100 people)		ANRTIC	ITU World Telecommunication/ICT Indicators Database, based on original information sourced from ANRTIC		Annual
Total number of Internet subscriptions		ANRTIC	ITU World Telecommunication/ICT Indicators Database, based on original data from ANRTIC		Annual
Mobile internet subscriptions		ANRTIC	TeleGeography, ITU		Annual
Population		ANRTIC	World Bank Development Indicators, sourced from UN		Annual
Fixed-line internet subscriptions		ANRTIC	TeleGeography, ITU,		Annual



Total number of mobile subscriptions (per 100 inhabitants)		ANRTIC	ITU World Telecommunication/ICT Indicators Database, compiled with raw data from ANRTIC		Annual
Fixed mainlines		ANRTIC	ITU		Annual
Mobile subscriptions		ANRTCI	ITU, Telegeography		Annual
Direct project beneficiaries		ANRTIC	ANRTIC		Annual
Female beneficiaries					

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of licensed ISPs		ANRTIC	ANRTIC		Annual
Broadband Internet Subscriptions		ANRTIC	ITU World Telecommunication/ICT Indicators, based on data sourced from ANRTIC		Annual



Fixed-line broadband subscribers		ANRTIC	ITU World Telecommunication/ICT Indicators, based on original data sourced from ANRTIC		Annual
Mobile broadband subscribers		ANRTIC	ITU World Telecommunication/ICT Indicators, based on original data sourced from ANRTIC		Annual
Fixed and mobile broadband subscriptions per 100 inhabitants		ANRTIC	ITU World Telecommunication/ICT Indicators, based on original data sourced from ANRTIC		Annual
Broadband subscribers as a percentage of total ICT subscriptions		ANRTIC	ITU World Telecommunication/ICT Indicators, based on original data sourced from		Annual



			ANRTIC		
Number of E-Systems connected to an interoperable Government-administered digital platform		Annual	SGG		RCIP-4
Number of female beneficiaries of the co-working space		Annual	ACTIC		RCIP-4
Number of crowdsourced reports from citizens on quality of service for telecommunication services	This is a report on the quality of service of telecommunication services in the archipelago of Comoros, which is compiled from crowdsourced reports from citizens. It is intended to be reported twice yearly and should show trends over time and between regions.	Twice-yearly	Quality of service observatory established by ACTIC	Crowdsourced data based on citizen observations	ACTIC