

AFGHANISTAN RECONSTRUCTION TRUST FUND
Digital Central Asia South Asia Project–Digital CASA (P156894)
Project Preparation Grant Application (PPG) to ARTF Management Committee
MC Meeting Date: June 29, 2016

Applicant:	Islamic Republic of Afghanistan	
Brief Description:	<p>Digital CASA 1 Afghanistan is a first of a regional “series of projects” (SOP) program, which aims to implement a regional, cross-border approach to improve broadband Internet connectivity in the landlocked countries in Central Asia and South Asia by catalyzing private sector investment and cross-sector infrastructure sharing and modernizing relevant policies and regulatory frameworks. The PCN was carried out on June 8, 2016, and the project is expected to be approved by 4Q FY17.</p> <p>This application for the Project Preparation Grant (PPG) is requested to enable the Ministry of Communications and Information Technology (MCIT) carry out preparatory activities for the projects, including but not limited documents, technical advisory consultancies, and preparation of bidding documents and safeguards documents.</p>	
Project Development Objective (PDO):	<p>The draft proposed PDO is “to increase access to digital services throughout Afghanistan, via a regionally integrated, secure and affordable digital infrastructure, including the expansion of e-Government services and digital job opportunities” Digital CASA will also support regional integration objectives of improved trade and communications between Central Asia and South Asia countries, and contribute to creating a Europe-to-Asia transit hub for international connectivity.</p>	
Performance Indicators:	<p>The draft performance indicators of Digital CASA may include the following:</p> <ul style="list-style-type: none"> • Access to Internet services • Retail price of Internet services (per Mbit/s per Month, in US\$) • International Internet Bandwidth per Capita (Kbps). • Wholesale Transit Pricing per Mbps (US\$). • Electronic transactions of public services (%) • Number of manpower trained under the project (number of people) 	
Sector:	Information and Communication Technologies (ICT)	
Location:	Kabul, provincial governments (as required)	
Total Project Cost:	USD 90 million	
Amount Requested for ARTF MC Approval:	US\$5 million	
Implementing Agency:	Ministry of Communications and Information Technology (MCIT)	
Implementing Period:	The Digital CASA Project is expected to be implemented over 5 years (July 1, 2017 - June 30, 2022). This grant is expected to close on December 31, 2017.	
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Reviewed and cleared by the Administrator:	Country Management and Global Practice Units; Legal Department; Loan Department; Financial Management; Procurement.	

AFGHANISTAN RECONSTRUCTION TRUST FUND

Digital Central Asia South Asia Project – Digital CASA (P156894)

Request for Funds for Project Preparation (US\$ 5 million)

MC Meeting Date: June 29, 2016

I. Introduction and Context

Country Context

1. **Afghanistan has made significant progress in areas including primary education and basic health services, but continues to struggle to overcome almost three decades of war and civil strife.** Afghanistan's political context remains complex and dominated by the Taliban insurgency, narcotics production, and weak governance and rule of law. Nearly 36 percent of the Afghan population continue to live below the national poverty line,¹ and ranks 171 out of 188 countries in the UNDP Human Development Report 2015.² Mountainous terrains and sparsely scattered population have also made the expansion of basic infrastructure and services difficult.

2. **Despite steady growth between 2002 and 2012, Afghanistan's economy has stagnated due to protracted political and security transitions and slow pace of reforms.** GDP growth averaged around 9 percent during 2003-2012, but sharply declined to 3.7 percent in 2013 and 2 percent in 2014.³ This is mostly the result of protracted political and security transitions, slow pace of reforms, and delays in the elections process and cabinet formation which have continued to fuel uncertainty and affected investor confidence.⁴ The growth outlook for 2015 continued to be weak due to unfavorable weather conditions for agriculture production and lagged effects from 2014, which could continue to undermine economic recovery. Elections in 2013 had resulted in a new President and a unity government that is committed to addressing the country's political, social and economic challenges.

3. **Further, there are significant jobs challenges within Afghanistan, particularly for youth, women, and returning refugees.** Afghanistan faces a demographic bulge that will require strong and sustained job creation. Population growth is rapid at about 2.5 percent and the proportion of the population aged 15 or below is 51.3 percent. The labor force is expected to expand by about 400,000 workers per year over the next decade. The demographic bulge is further exacerbated by returning refugees in Pakistan and elsewhere, which are placing additional pressure on an already challenging jobs outlook. In addition, there is widespread exclusion of women from labor participation. According to the 2011-12 NRVA, female labor force participation in Afghanistan is only 19 percent. Improving the status of women is central not only to improving economic well-being but also to reducing fragility and conflict.

Sectoral and Institutional Context

4. **Afghanistan's telecommunications sector has developed significantly over the last decade.** The Telecommunications Services Regulation Act of 2006 established the Afghanistan Telecom Regulatory Authority (ATRA), within the framework of the Ministry of Communications and Information Technology (MCIT), which is responsible for regulating the market. The wireless market is fully

¹ World Bank indicators.

² http://hdr.undp.org/sites/default/files/2015_human_development_report_1.pdf.

³ http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/05/15/090224b082e8582d/2_0/Rendered/PDF/Afghanistan0economic0update.pdf.

⁴ <http://www.worldbank.org/en/country/afghanistan/overview>.

competitive and currently consists of five major mobile operators (Afghani wireless, Roshan, Etisalat, MTN Group, Salaam Network), who are actively rolling out mobile infrastructure and services in Afghanistan. Reports suggest that the population coverage has reached close to 80 percent. As a result, mobile penetration leapfrogged from 10 percent to 85 percent between 2006 and 2016. Further, the introduction of 3G mobile broadband services in 2013 contributed to a significant boost in broadband Internet penetration. Internet penetration currently stands at around 20 percent of the population, compared to around 10 percent in 2011 according to MCIT.

5. The IDA-financed Afghanistan ICT Sector Development Project (P121755, \$50million) and IFC investments have helped to expand fiber optic Internet connectivity and foster the development of the local IT industry. The ICT sector development project was approved in 2011 and is being implemented by MCIT. To date the project has installed over 560km of fiber optic network across Afghanistan⁵, trained over 1,500 people in IT skills, including women, and has launched a shared mobile applications platform for government agencies to deliver online services. The project is expected to close satisfactorily in 2017. The World Bank Group's support in the ICT sector is further facilitated by IFC investments. In January 2013, an IFC loan of US\$ 65 million was approved to the Telecom development Company Afghanistan limited (Roshan), which includes the acquisition of a 3G license, and capital expenditures to roll-out the 3G network and loan repayments.

6. Despite these advancements, Afghanistan and other landlocked countries in Central Asia and South Asia continue to be in disadvantaged positions in terms of International Internet connectivity, price of high speed Internet remains costly for individuals and small businesses. This is because much of global Internet traffic bypass the landlocked countries and connects through undersea fiber optic cables. As a result, individually landlocked countries have limited international bandwidth, and end up paying very high international connectivity prices. For example, International Internet Bandwidth per Capita (Kbps) in Afghanistan and Kyrgyz Republic are 0.5 and 0.6Kbps respectively, ranking the countries among the lowest in the world. By comparison, per-capita bandwidth in many highly-developed countries exceeds 100 Kbps.⁶ Another factor responsible for the high prices is the lack of competition both for domestic and international optical fiber connectivity. In Afghanistan, the government-owned Afghan Telecom remains the dominant fixed line operator. Afghanistan's telecommunications services rely heavily on its mobile infrastructure.

7. Price of high speed Internet remains costly for individuals and small businesses, which has resulted in delayed adoption of broadband technologies and restraint of overall economic growth and efficiency. As a result of limited International connectivity, wholesale transit pricing per Mbps remains at around US\$35 per month, which is significantly higher compared to countries like India (\$10), Russia (\$2) and the US (\$1). This has also translated into high prices at the consumer level. Currently, the retail price of Internet services (per Mbit/s per Month) is US\$37, which is unaffordable for the average citizen in a country where the GNI per capita is \$680. It also remains costly for small businesses that have limited financial capital.⁷ Political instability and security issues have also constrained investments in the broadband market. As a result, fixed broadband internet penetration in Afghanistan remains below 1 percent of the population.⁸

⁵ As of April 2016, the deployment of the fiber optical backbone network in the North East section has been completed and handed over to Afghan Telicom. Works on central route to Yakawlang is almost completed, and contracts for Kunar, Kapisa, Ghulam Khan Office and Bamiyan-Mazar-e-Sharif routes have been signed

⁶ Tajikistan Brief

⁷ World Bank indicators

⁸ World Bank Indicators.

8. Significant progress has also been made to promote e-Government, but further efforts are required. Through cooperation with international organizations MCIT has adopted an e-Government strategy with the implementation program and established the E-Government Directorate to lead relevant initiatives.⁹ Currently, over 100 government websites are enabling government institutions and agencies to provide more accessible, consistent, and reliable information¹⁰ while the mobile service delivery platform integrates 30 applications for the health, finance, and education sectors¹¹. The E-Government Resource Center (EGRC) under MCIT provides advice and guidance to Chief Information Officers (CIOs) of key ministries and agencies for development and deployment of digital systems and services across the government. The National Data Center is supporting operations and business needs of government organizations with IT services. Yet, lack of appropriate policies, legal and regulatory framework, weak coordination and collaboration in designing and implementing e-Government strategies, programs and projects, low implementation capacity of key ministries, lack of relevant expertise and skills for digital development and data-driven innovations are hampering the delivery of citizen-centric digital services and engagement of private sector and civil society to co-create public policies and services.

9. Afghanistan’s National Development Strategy 2008-13 (NDS) recognizes ICT as an enabler of social and economic development that will contribute to strengthening civil society, improving government efficiency, and promoting private sector development. The NDS asserts the importance of building on these ICT developments for achieving the MDGs, and commits to making affordable telecommunications services available across the country through an improved enabling environment for private sector investment. The use of ICTs is also stressed in GoIRA efforts for a broad-based reconstruction effort for enhancing effectiveness, efficiency and transparency of the public sector and the provision of social services. Further, equal access to ICTs are seen as enabler to create a vibrant private sector and increase employment, including for underprivileged groups.

Rationale for Bank’s involvement

10. World Bank support in the ICT sector has been consistent with the Interim Strategy Note (ISN) 2012-14, the Country Partnership Strategy (CPS) 2017-2020 currently under preparation, and the recommendation of the World Development Report 2016 (WDR16) “Digital Dividends.” The ISN and CPS recognize the pivotal role telecommunications and ICT play in achieving some of the most important national priorities that would help the government manage the critical transition from security and development dominated by the international community to one led by the government. More specifically, Digital CASA project is expected to support the focus area infrastructure for inclusive growth within pillar 2 equitable and inclusive growth. It will also help to develop a digital foundation for facilitating regional trade and integration.¹² Further, the WDR16 provides a strong rationale to support the ICT sector, suggesting strong linkages between broadband access, growth and jobs. However, in order for countries to reap these benefits, they need to be complemented by a strong enabling environment, including robust legal and regulatory frameworks, digital skills and accountable institutions.

Proposed Digital Central Asia and South Asia (Digital CASA) Program

11. A cross-regional Digital Central Asia South Asia (Digital CASA) “Series of Projects” (SOP) Program is currently under preparation in partnership with the IFC, and aims to improve telecommunications and Internet connectivity throughout the CASA regions. Digital CASA Afghanistan (P156894) will be the first country-specific project, and is expected to be delivered to the board in FY17. Kyrgyz Republic and Kazakhstan have also expressed interest, and other countries in the region such as Tajikistan are also considering to join, depending on their readiness and interests. A technical pre-

⁹ <http://mcit.gov.af/en/page/1/22>

¹⁰ <http://www.worldbank.org/en/news/feature/2015/09/24/afghanistan-shows-way-e-government>

¹¹ MCIT, Smart Nation Assessment data, 2016

¹² http://moj.gov.af/Content/files/Afghanistan_National_Development_Strategy%20ANDS.pdf.

feasibility study funded by the IFC is in progress to review the broadband markets and assess the feasibility of different technical alternatives and business models to improve regional and domestic connectivity. In parallel, a Smart Nations assessment is being conducted to identify complementary demand-side interventions.

12. The Project cost for Digital CASA Afghanistan is estimated to be around US\$90 million, and will consist of a mix of regional and national IDA funds. Since this is a regional program with significant spillover benefits across countries, supplementary regional IDA funding is expected to complement national IDA allocations for up to two-thirds of the total IDA financing of the regional activities. The components are expected to be structured as follows, and will be further defined based on the recommendations of the ongoing technical pre-feasibility studies:

Component 1: Supply side (digital connectivity), \$60million. Under appropriate public private partnership (PPP) frameworks, this component will finance infrastructure that are needed to ensure greater access to affordable high speed Internet services, both within Afghanistan and in neighboring countries. Activities may include but are not limited to: (a) financing and operation of cross-border fiber-optic networks across the region; (b) deployment of high capacity, domestic fiber-optic networks including in rural/remote areas of the country; (c) financing of the pre-purchase of Internet bandwidth for the Government; (d) financing of the establishment of a Government Network (GovNet) for providing broadband connectivity to government institutions, including schools and hospital; and (e) financing of investments in Internet Exchange Point (IXPs) that may be facilitated at the regional level, and for upgrading of the National Internet Exchange of Afghanistan (NIXA).

Component 2: Demand-side (digital society), \$20 million. This component will encourage greater and more productive use of enhanced Internet connectivity by government, businesses and citizens. Activities may include but are not limited to: (a) Support for the implementation of the Government of Afghanistan's (GoA) "e-Government Initiative" (b) digital capacity building for government officials; (c) and digital jobs and skills development initiatives for Afghan citizens, including youth and women.

Component 3: Enabling environment, \$5 million. This component will provide technical assistance to MCIT and ATRA to establish an appropriate enabling environment by implementing policy and regulatory frameworks that are conducive to private sector investments, cross-sector infrastructure sharing, and IT and IT-enabled services industry development. These include the enforcement of an open access policy and the achievement of full liberalization of both domestic and international optical fiber connectivity, which are pre-requisites for participating in the Digital CASA program at the regional level.

Component 4: Project Management, \$5million. This component will finance the provision of technical assistance, equipment, training, and operating costs needed to establish, operate, and strengthen the Project Management Office (PMO) within MCIT.

13. The combined activities of Digital CASA Afghanistan will contribute to enhancing regional public goods through the development of a highly interconnected regional broadband infrastructure that promotes regional trade and integration. The regional infrastructure is expected to facilitate infrastructure sharing (e.g. roads, power transmission lines, railways); the joint deployment and transfer of experience in e-Government platforms, services and content; and institution building at the regional level to ensure sustainability and further regional integration. If the participating countries work together, the threats get converted to an opportunity to not only lower the prices but also to increase private sector investment and improve the reliability of connectivity. Capitalizing on its strategic geographical location, Digital CASA will also provide an opportunity for Afghanistan to become a regional telecommunications hub by creating a regional Europe-to-Asia hub for facilitating reliable and affordable intra-regional Internet traffic. This will create significant potential to increase government

revenue (from taxes, transit fees), and develop a sizable IT and IT-enabled services industry that would help foster job creation and innovation across sectors.

II Proposal Summary

14. The purpose of this application is to request an ARTF grant for the total amount of US\$ 5 million to be used by the Ministry of Communications and IT (MCIT) for the preparation of the Digital CASA Afghanistan Project. The grant will enable MCIT to carry out the necessary project preparation activities that are expected to be financed from the PPG till the proposed project becomes effective, which is estimated to be around mid 2017. The PPG will finance consulting services to support the preparation of technical feasibility studies, strategies, bidding documents, and social and environmental safeguards documents, as well as regulatory and policy advisory services to ATRA and MCIT. It will also finance capacity building activities, trainings and workshops that are relevant to effectively prepare the project.

Please see details in Annex 1.

II. Description of Project Preparation Outputs and Activities

#	Component	Activities
1	Supply side “digital connectivity” program	This component will finance technical assistance and advisory services for developing the regional and domestic Internet infrastructure, Government Networks (GovNet) and IXPs. These include: (i) Technical feasibility study and preparation of bidding documents for fiber optic connectivity options; (ii) Technical feasibility study for regional and domestic PPP implementation options for fiber optic connectivity; (iii) Preparation of National Broadband Strategy; (iv) Feasibility Study and preparation of bid documents for Government Networks (GovNet) at central and provincial government level; and (v) Preparation of environmental and social management framework (ESMF) and relevant capacity building.
2	Demand side “digital society” program	This component will finance: (i) Technical feasibility study and preparation of bidding documents for automation of central and provincial e-services delivery; (ii) Technical feasibility study for e-Procurement and preparation of bidding documents for pilot implementation in targeted ministries; (iii) Technical feasibility study and preparation of bidding documents for leveraging postal networks for end-to-end delivery of e-services and citizen feedback; (iv) Technical feasibility study and preparation of bidding documents to enhance national data center (e.g. cloud computing) and options for backup disaster recovery center; (v) IT/IT-enabled services (IT/ITES) industry development strategy and roadmap; (vi) Technical advisory services for GIS mapping and database development for national infrastructure and asset mapping
3	Enabling Environment	This component will finance: (i) Regulatory capacity building and advisory services to ATRA, including regulations relevant to open access policy implementation; (ii) ICT and e-Government policy capacity building and advisory services to MCIT; (iii) Identification of ICT skills development requirements and implementation plan; and (iv) advisory services for national cyber security
4	Training	Training and workshops relevant for project preparation.

III. Implementation

Institutional Arrangements

15. Overall responsibility for management of the project will rest within the Ministry of Communications and IT (MCIT), which will be responsible for the execution of the project in cooperation with Afghanistan Telecom Regulatory Authority (ATRA). Core staff supported by technical assistance and consultants as needed, will be responsible for procurement and financial management, monitoring, and reporting on the project.

Procurement Arrangements

16. Procurement for the project will be administrated in accordance with the World Bank’s “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants

by World Bank Borrowers”, dated January 2011. The World Bank’s Standard Bidding Documents (SBDs), Requests for Proposals, and Forms of Consultant Contract will be used. Civil works and goods following National Competitive Bidding (NCB) procedures shall be procured using the agreed SBDs for Afghanistan. In case of conflict/contradiction between the World Bank’s procurement procedures and any national rules and regulations, the World Bank’s procurement procedures will take precedence as per the Article 4(2) of the Procurement Law of the Islamic Republic of Afghanistan dated October 7, 2015.

17. **Assessment of the Agency’s Capacity to Implement. Procurement.** The implementing agency will be MCIT, same as the ongoing Afghanistan ICT Sector Development Project (P121755). MCIT has long experience of bank finance projects. Moreover, MCIT procurement directorate has been accredited by PPU/NPA to process procurement independently without going through NPA.

18. The threshold of **High Risk Implementing Agency** will apply for the prior review of the contracts under the PPG. The same is elaborated in the procurement plan under Annex-1

19. **Incremental Operating Costs.** The cost which would be financed by the ongoing ICT project would be procured using the implementing agency’s administrative procedures, which were reviewed and found acceptable to the Bank. The operating costs will include operations and maintenance of equipment and vehicles, hiring of vehicles, office rent, costs of consumable, fuel, office utilities and supplies, Bank charges, and advertising expenses but exclude any salaries and allowances of civil servants.

FM Arrangements

20. At the central level, financial management and audit functions for the proposed PPG will be undertaken through the agents contracted under the ARTF-financed Public Financial Management Reform Project II. Under these contracts, two advisers – Financial Management and Audit – are responsible for working with the government and line ministries to carry out these core functions. The former, the Financial Management Adviser (FMA), is responsible for helping the MoF maintain the accounts for all public expenditures, including IDA/ARTF-financed projects and for building capacity within the government offices for these functions. The latter, the Audit Agent is responsible for providing technical assistance to the Supreme Audit office in the performance of annual audits.

21. **Implementation arrangements** - The implementing agency will be MoCIT and it will carry out the financial management functions for the PPG through its Project Management Office (PMO) set up under the ongoing ICT Development Project. MoCIT has significant experience on World Bank funded/administered projects and the FM performance has been satisfactory. This PPG will continue beyond the ICT Development Project closing in June 2017. However, it is expected that the Digital CASA project will be in place by July 2017, and the FM arrangements that will be put in place for the project will also cover the PPG.

22. **Staffing** – A financial management specialist is already in place within the PMO who is primarily responsible for carrying out the FM functions under the ICT Development Project. He will also have responsibility for the FM functions under this PPG.

23. **Budgeting** – MoF guidelines for budget preparation will be followed. PPG budget will be based on the procurement plan and annual work plan. The annual budget will be broken down into quarters to facilitate budget monitoring. Actual expenditures will be monitored against quarterly budgets, and will also be reported to the Bank.

24. **Funds flow** - Funds flow arrangements will follow standard procedures applicable to all World Bank funded/ administered projects. A segregated Designated Account (DA) for the PPG will be opened at Da Afghanistan Bank (DAB, Central Bank) and the authorized signatory for making payments from the DA will be MoF. PMO/ MoCIT will process all payment requests through the Special Disbursements Unit (SDU) of MoF, and will also be responsible to manage the designated account. No funds are expected to flow to the provinces. Withdrawal applications for new advances and replenishment requests will be done preferably monthly, and at least on a quarterly basis. Bank will provide Client Connection access to focal finance staff for the management of the PPG.

25. **Accounting and Reporting** – At the central level, project accounts will be maintained in MoF Treasury department in AFMIS (Afghanistan Financial Management Information System), which is responsible for recording all project expenditures and receipts in the Government’s accounting system.

26. PMO/ MoCIT will maintain subsidiary books of records using Excel. The Bank will consider financing the procurement of a simple off-the-shelf accounting software either under the PPG or the main project when approved. Reconciliation of project transactions with AFMIS records and DA bank statements will be carried out monthly by PMO/ MoCIT.

27. Quarterly Interim Financial Reports (IFRs) will be prepared by PMO/ MOCIT every quarter and submitted to the Bank within 45 days from the end of the quarter. The formats for these IFRs are already available with the PMO, and will be customized as needed to reflect the activities under the PPG.

28. **Internal controls** – The project follows the centralized payment mechanism applied in Afghanistan and controlled by MoF. Internal controls are adequate both at the central and implementing agency levels. There is adequate segregation of duties. Reconciliations will be done monthly. All these controls will be periodically reviewed by the Bank. The internal audit will be carried out by the Internal Audit Unit of MoF. This unit carries out the internal audit for all World Bank funded/ administered projects, this arrangement has been put in place since FY1393.

29. **External Audit** – Annual project audit will be done by the Supreme Audit Office of Afghanistan with technical assistance from an international audit firm. The financial statements for the audit will be prepared by MoF from AFMIS. The audited financial statements are due within 6 months from the end of the fiscal year (Dec 20). The responsible entity for the PPG audit will be MoCIT and it will facilitate the audit process through provision of required documents and responding to audit queries.

30. Based on the current arrangements in place and the FM performance, the FM risk for the PPG is considered **Moderate**.

ANNEX 1 : Procurement Arrangements and Procurement Plan

I. General

31. Procurement for the project will be administrated in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011, revised in July 2014 "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011, revised in July 2014 and the provisions stipulated in the Financing Agreement. In addition, the World Bank's "Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" dated October 15, 2006 has been shared with the recipient. The World Bank's Standard Bidding Documents, Requests for Proposals, and Forms of Consultant Contract will be used. Civil works and goods following National Competitive Bidding (NCB) procedures shall be procured using the agreed Standard Bidding Documents (SBDs) for Afghanistan.

32. In case of conflict/contradiction between the World Bank's procurement procedures and any national rules and regulations, the World Bank's procurement procedures will take precedence as per the Article 4 (2) of the Procurement Law October 7, 2015.

II. Project Information

Country: Afghanistan
Project Name: Digital Central Asia South Asia 1 – Afghanistan (Digital CASA)
Project ID: P156894
Grant No: 21327
Project Implementing Agency: Ministry of Communications and Information Technology

Bank's approval Date of the Procurement Plan for Project Preparation Grant: June 16, 2016

Date of General Procurement Notice: July 8, 2016 (TBC)

Period covered by this procurement plan: July 2016 to December 2017

III. Goods and Works and non-consulting services

33. No goods, works or non-consulting services are expected to be procured under this PPG. .

Table 1: Procurement Thresholds by Expenditure Category

	Selection Method	Prior Review Threshold USD	Comment
1.	Competitive Methods (Firms)	200,000 or more per contract	
2.	Competitive [Individual Consultant]	100,000 or more per contract	
3.	Single Source (Firms/Individual consultant)	All	regardless of value

Table 2: Threshold for Selection Methods:

	Selection Method	Threshold in USD	Comment
1.	QCBS-QBS-LCS-FBS	No limit	
2.	Single Source (Firms/Individual)	No limit	Prior agreement of the bank

3.	CQS	300,000 or below per contract	
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34. Prequalification: Not envisaged

IV. Selection of Consultants

35. **Prior Review Threshold:** Selection decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

36. Consultancy Assignments with Selection Methods and Time Schedule

Table 3: Consulting Services for Project Preparation.

International consulting firms should include a local firm or individual consultant as part of the team to provide local support.

S.N	Description	Est. cost USD	Proc. Method	Bank Review	Expected date of proposal opening	Comments
<i>Supply side connectivity</i>						
PPF/C-1	Technical feasibility study and preparation of bidding documents for fiber optic connectivity options	600,000	QCBS	Prior	August 15, 2016	
PPF/C-2	Technical feasibility study for regional and domestic PPP implementation options for fiber optic connectivity	450,000	QCBS	Prior	August 15, 2016	
PPF/C-3	Preparation of environmental and social management framework (ESMF) and relevant capacity building	60,000	IC	Post	July 15, 2016	
PPF/C-4	Preparation of National Broadband Strategy and Implementation Roadmap. This includes a telecom market survey and study.	400,000	QCBS	Prior	October 1, 2016	
PPF/C-5	Feasibility Study and preparation of bid documents for Government Networks (GovNet) at central and provincial government levels	150,000	QCBS	Post	October 1, 2016	
	Sub-total	1,660,000				
<i>Demand side digital society and economy</i>						

PPF/C-6	Technical feasibility study and preparation of bidding documents for automation of central and provincial e-services delivery.	400,000	QCBS	Prior	August 15, 2016	
PPF/C-7	Technical feasibility study for e-Procurement and preparation of bidding documents for pilot implementation in targeted ministries	200,000	QCBS	Prior	August 15, 2016	
PPF/C-8	Technical feasibility study and preparation of bidding documents for leveraging postal networks for end-to-end delivery of e-services and citizen feedback.	300,000	QCBS	Prior	October 1, 2016	
PPF/C-9	Technical feasibility study and preparation of bidding documents to enhance national data center (e.g. cloud computing) and options for backup disaster recovery center.	200,000	QCBS	Prior	October 1, 2016	
PPF/C-10	IT/ITES industry development strategy and roadmap	200,000	QCBS	Prior	October 1, 2016	
PPF/C-11	Technical advisory services for GIS mapping and database development for national infrastructure and asset mapping	100,000	QCBS	Post	October 1, 2016	
	Sub-total	1,400,000				
<i>Enabling environment/Regulations</i>						
PPF/C-12	Regulatory capacity building and advisory services to ATRA/MCIT on issues including but not limited to tariff calculation and Quality of Service (QoS) for implementing the Open Access Policy	500,000	QCBS	Prior	August 15, 2016	
PPF/C-13	Review and updating of e-Government policy	200,000	QCBS	Prior	August 15, 2016	

PPF/C-14	Identification of ICT skills development requirements, assessment of gaps and implementation plan to bridge gaps both within and outside of government at central and provincial levels.	300,000	QCBS	Prior	October 1, 2016	
PPF/C-15	Advisory services to ATRA/MCIT to carry out assessment of current status of National Cyber Security, and prepare strategy, and support review/update of policies, laws and regulations.	300,000	QCBS	Prior	October 1, 2016	
	Sub-total	1,300,000				
	Contingency	540,000				
	Total	4,900,000				

Training:

37. Training and contingency, includes, on a needs basis, additional consultancy requirements, workshops, travel and per diem allowances that are deemed as required for project preparation, as per GOA Guidelines. Applicable training for MCIT/ATRA and relevant civil servants, may include, but are not limited to, obtaining technical expertise on critical issues for designing the proposed Digital CASA project, such as policy/regulatory issues pertaining to the implementation of the open access policy; public private partnership frameworks in the telecommunications sector; digital government platforms and solutions; and relevant consultations with other Digital CASA participating countries regarding the proposed regional network infrastructure.

38. Project management costs are expected to be financed through the PM framework of the existing Afghanistan ICT Sector Development Project and the proposed Digital CASA Project (once approved). This is the same for incremental operating costs (IOCs) for the PPG, which are expected to be small. Nonetheless, it is still proposed to be included in the single disbursement category in the Grant Agreement in case unexpected charges may incur (e.g. Bank charges to the PPG Designated Account)_

39. Prior to initiating any training the project will prepare a TRAINING PLAN for at least the first six month of the PPG implementation, obtain bank agreement for the training plan and then proceed with implementation of the plan. Moreover, any training to be provided by a consultancy firm or individual consultant should first be added to the procurement and then initiated selection process after receiving bank agreement of the procurement plan. All expenditures will be subject to prior review.

Table 4: Training

Description	Estimated cost USD	Bank Review
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Funds allocated for Training, workshops and travel, required for project preparation, including for ATRA, MCIT, APRA, and relevant agencies.	100,000	Prior
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PPG Grand-total \$5,000,000
