

## Rwanda : Digital Acceleration Project (Digital Investment for Recovery, Resilience and Connectivity)

### 1. Project Information

Project ID:	P000462	Instrument ID:	L0462A
Member:	Rwanda	Region:	Eastern Africa
Sector:	CRF-Economic Resilience/PBF	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:86.50 Euro million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance and Economic Planning, Rwanda
Implementing Entity:	Rwanda Information Society Authority; Rwanda Development Bank		
Project Team Leader:	James Douglas Wylie (Responsible DG: Najeeb Haider; Responsible Department: BNK2)		
Project Team Members:	Bernadette Ndeda, OSD - Procurement Specialist; Shodi Nazarov, OSD - Financial Management Specialist; Marcin Sasin, Economist; Liu Yang, Project Counsel; Duran Moy, Alternate Counsel; Amy Chua Fang Lim, OSD - Social Development Specialist; Amy Chua Fang Lim, OSD - Environment Specialist; Jinwen Ye, Back-up PTL; Zeheng Li, Project admin		
Completed Site Visits by AIIB:	Mar, 2022 Conducted a Rwanda digital Acceleration Project Mission lead by the World Bank. Completed a cross-functional review. Obtained update on studies. Obtained finalized project manuals. Seeking revised disbursement schedule in light of studies. The initial studies are funded from a World Bank grant. These studies will be completed prior to AIIB's first disbursement request. Sep, 2022 Attended select sessions during WB project implementation mission.		
Planned Site Visits by AIIB:	Mar, 2023 Either first real or another virtual implementation update. Sep, 2023 Virtual/physical implementation progress review Mar, 2024 Virtual/physical implementation progress review Sep, 2024 Virtual/physical implementation progress review, Virtual/physical implementation progress review Mar, 2025 Virtual/physical implementation progress review Sep, 2025 Virtual/physical implementation progress review Mar, 2026 Virtual/physical implementation progress review Sep, 2026 Virtual/physical implementation progress review Mar, 2027 Virtual/physical implementation progress review		
Current Red Flags Assigned:	0		

Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	
Previous Red Flags Assigned Date:	

## 2. Project Summary and Objectives

To support Rwanda's short and long-term recovery from the pandemic, and resilience to future pandemics, through investment in digital access, digital public service delivery, and digital innovation and entrepreneurship.

The Project is a major national, multi-sector, whole-of-government digital-acceleration initiative centered on:

- Expanding digital adoption and access, by promoting digital access opportunities through last-mile connectivity, affordable smart devices, and broad-based digital skills acquisition;
- Enhancing digital public service capabilities (particularly in health and education sector) and productivity, by strengthening the national ID system, equipping the government with the ability to deliver securely more quality data-driven solutions, and enabling transactional e-services in key sectors; and
- Increasing Rwanda's capacity to support digitally enabled innovation and productivity-gains, by strengthening the local digital innovation and entrepreneurship ecosystem, supporting tech firms to move from startups to growth and by developing Rwanda's digital human capital.

The Project will finance the following components:

Component 1: Digital Access and Inclusion (USD60.5 million)

Component 2: Digital Public Service Delivery (USD100.0 million)

Component 3: Digital Innovation and Entrepreneurship (USD29.5 million)

Component 4: Project Implementation and Institutional Coordination (USD10.0 million)

## 3. Key Dates

Approval:	Dec. 16, 2021	Signing:	Dec. 23, 2021
Effective:	Apr. 22, 2022	Restructured (if any):	
Orig. Closing:	Dec. 31, 2026	Rev. Closing (if any):	

## 4. Disbursement Summary (EUR million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	0.00	Most recent disbursement (amount/date):	
Undisbursed:	86.50	Disbursement Ratio (%) <sup>1</sup> :	0.00

## 5. Project Implementation Update

Withdrawals

WB has successfully made its disbursements to date, while AIIB received but rejected its first withdrawal request (the FEF was outstanding and is a condition of disbursement). Rwanda attempted to pay the FEF but intermediary

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

bank details were missing from the request. The FEF is now paid but a transfer fee is missing. Once the transfer fee is located, Rwanda can pay the fee or AIIB can waive the fee. This is expected to be rectified in due course. The rejected amount is EUR 216,250; 0.25% of the total commitment amount.

Additionally, there was a system error that prevented the copy of the Withdrawal Application being forwarded to AIIB. This error has also taken time to be identified and is also expected to be rectified shortly.

#### Project Activities

The Project worked on all the required inputs to satisfy the project effectiveness requirements. These activities form the bulk of the activities carried out in the first quarter of the reporting period. Some of these activities include; drafting the Project Implementation Manual, hiring required key staff i.e. Coordinator, Financial Management Specialist and Procurement Specialist.

The Project teams also worked on the drafts annual work plans and budgets and submitted these to the World Bank for their feedback and approval.

On the procurement front, the Project teams also worked on required procurement inputs and launched the procurement process for twenty-one procurement packages. The team also worked on three other tender documents that were shared with the World Bank for feedback and approvals. Lastly, the team also worked on other tender documents that will be shared for feedback and approval in the next semester.

From January to June 2022, RISA has successfully completed:

- Elaboration of a comprehensive annual action plan: done through consultations with the RISA and BRD teams
- Project Implementation Manual (PIM): drafting the sub-component's PIM taking into account the institutional arrangements, stakeholders, M&E, implementation processes and others.
- Launched the procurement process for the technical assistance for designing the affordable device scheme (feasibility study).
- Drafted and submitted TORS for the required project staff for this sub-component's activities.

#### World Bank Assessment

##### Progress by component

Progress towards achievement of Project Development Objectives: Satisfactory

Overall Implementation Progress (IP):

Moderately Satisfactory

Digital Access and Inclusion:(Cost \$60.50 M):

Satisfactory

Digital Public Service Delivery:(Cost \$100.00 M):

Moderately Satisfactory

Digital Innovation and Entrepreneurship:(Cost \$29.50 M):

Satisfactory

Project Management:(Cost \$10.00 M):

Moderately Satisfactory

Progress by function

Financial Management:

Satisfactory

Project Management:

Moderately Satisfactory

Procurement Specialist's Rating: Moderately Satisfactory

Monitoring and Evaluation :

Satisfactory

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>\$30,250,000.00</p> <p>1.1: Access to affordable smart devices</p> <p>Study for designing the affordable device scheme</p> <p>Outsourced services for technical assistance, verification, communication, and training for BRD/RISA staff.</p> <p>Capitalization of a device affordability fund and operationalization of related financing schemes.</p> <p>1.2: Digital literacy for all</p> <p>Technical assistance (TA) for evaluating digital skills programs</p> <p>Allowance and training costs for digital ambassadors (DAs); consultant service to develop training material</p> <p>Procurement of laptops and</p>	<p>Studies are currently underway. Ground breaking works yet to commence.</p>	<p>The RISA SPIU has established a comprehensive project-level GRM to address and manage all kind of concerns and complaints that might be raised by project stakeholders, including a workers' GRM (as required by ESS 2 Labour and Working Conditions) and a community GRM for PAPs (as required by ESS5 Land acquisition, restrictions on land use, and involuntary resettlement). The GRM has been described in detail in all E&amp;S management instruments developed so far, including the ESMF, RPF, LMP, and SEP. The GRM shall be operationalized prior to engaging project workers and prior to commencement of any project activities.</p>	<p>The RISA SPIU will establish a comprehensive project-level GRM to address and manage all kind of concerns and complaints that might be raised by project stakeholders, including a workers' GRM (as required by ESS 2 Labour and Working Conditions) and a community GRM for PAPs (as required by ESS5 Land acquisition, restrictions on land use, and involuntary resettlement). The GRM has been described in detail in all E&amp;S management instruments developed so far, including the ESMF, RPF, LMP, and SEP. The GRM shall be operationalized prior to engaging project workers and prior to commencement of any project activities.</p>

<p>smartphones for DAs, training platform and management system</p> <p>Internet connectivity for DAs and supervisors</p> <p>1.3: Last-mile connectivity access</p> <p>TA to support network planning and preparation for government connectivity purchase; to support tendering, supervise deployment and training; Miscellaneous (distribution, installation, etc.)</p> <p>Study to assess school digital infrastructure needs and readiness</p> <p>Virtual government network (GovNet), internet capacity purchase, network operations center</p> <p>Enabling ICT infrastructure for target institutions: Electricity (for connected schools only); IT equipment (for connected schools only)</p> <p>1.4: Legal, regulatory and institutional capacity for broadband market development</p> <p>Studies to evaluate social impact of the telecommunication</p>			
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<p>s services market; status readiness for migration to 5G and the impact of number portability Quality of service (QOS) monitoring systems and tools for fixed and mobile networks; number of portability system, upgrade of one mobile and portable spectrum monitoring system and staff training Policy regulation development, guidance, and support consulting services Institutional technical capacity building and training</p>			
<p>\$50,000,000.00 2.1: Digital identification and authentication Enrollment enhancement, digitalizing data, capacity building for government personnel and consultancy services for tender docs and grievance redress mechanism portal and system IT equipment (hardware, software, data storage), software upgrade, identity credential costs 2.2: Government data management, sharing and analysis Feasibility study for the</p>			

<p>establishment of the Rwanda Government Data Hub and Government Enterprise Service Bus</p> <p>Supply and installation of geospatial segment of data hub, software, hosting and training</p> <p>Consulting services for design, development, hosting and training for the Government Data Hub; Hardware, software, installation, deployment of Government Data Hub IT systems</p> <p>Other consulting firm services such as preparation of data strategy, policy and implementation plan, development of platforms, tools, big data-driven use cases implementation, etc.</p> <p>2.3: E-services in key sectors</p> <p>Develop and launch services in education, agriculture and local government System</p> <p>development and upgrade, IT equipment (hardware, software)</p> <p>TA and feasibility study to revise the project design, refinement of terms of reference and</p>			
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<p>preparation of the tender documents/RFP</p> <p>Enhancement of existing platforms, IT capacity building and change management</p> <p>2.4: Cybersecurity resilience and data protection</p> <p>Consultancy firms' services to support the development of strategic and work plans, evaluation frameworks for the cybersecurity agency and data protection office to conduct studies to identify the baseline and gaps in cybersecurity and data protection skills and capacity, and to develop proposals to bridge the gaps.</p> <p>Consulting firms to develop cybersecurity and data protection standards and policies, technical and operational capacity building (through tools and training programs) in cybersecurity and data protection.</p> <p>Procurement of ICT equipment and software platforms for NCSA in cybersecurity and data protection and the upgrade of the national CSIRT/SOCs; establishment of</p>			
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<p>Cybersecurity Innovation Centers.</p>			
<p>\$14,750,000.00 3.1: Regional digital entrepreneurship hub Consultancy firms' services (to deliver training and coaching programs, recruit technical advisors for internal support and administer different parts of the subcomponent such as fund management for startups and an international accelerator) Firms' services to conduct feasibility studies to develop early-stage financing mechanisms for startups, market assessment on ESOs, develop a strategy plan for the Innovation Agency and other studies required Performance-based grants for ESOs; financing channeled to start-ups; and design, development, deployment of digital ecosystem management tools 3.2: Next generation capabilities for the digital economy TA to develop operating model for Rwanda Coding Academy, bootcamp program and preparation of bidding documents</p>			

<p>Staffing of consultants and instructors</p> <p>Procurement of lab equipment, IT equipment, renovation of classrooms, books and internet connectivity</p> <p>Performance-based grants and PhD Scholarships</p>			
<p>\$5,000,000.00</p> <p>Staffing costs of PIUs at RISA and BRD</p> <p>Project management support (individual or firm), communication support, ES consultants, ES audits, training, hiring, per diem, transport, accommodation, communication, and financial management</p> <p>advertising cost</p> <p>ES resettlement, e-waste rollout</p> <p>IT equipment, materials, and internet access</p>			

**Financial Management:**

Quarterly financial reports were submitted on May 15, 2022 and August 18, 2022.

The first audit for the Project is scheduled to take place between August to November 2023 and to be submitted to World Bank and AIIB before December 31, 2023 as per the financing agreement.

**6. Status of the Grievance Redress Mechanism (GRM)**

As required by the Environmental and Social Standards 2 (ESS 2 Labor and Working Conditions), a Grievance Redress Mechanism was set up for the direct workers, SPIU Staff at the SPIU level. The Grievance Redress Committee at the SPIU level is composed of the SPIU Coordinator, Environmental & Social Specialists, and the Legal Advisor Specialist. Two of the members are yet to be recruited: the Social Specialist and Legal Advisor Specialist.

No activities related to the establishment of a GRM have been conducted over this period as the project was in the process to become effective and more details about project activities and locations were not available.

## 7. Results Monitoring

No real activities have commenced and hence no progress on indicators are to be expected.

### Project Objective Indicators #1

Broadband penetration rate (mobile + fixed)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	19.34	0	no impact expected in the first year
Jun. 30, 2022	19.34	0	no impact expected in the first year

### Project Objective Indicators #2

Fully transactional G2P, G2B and G2G e-services that are introduced, upgraded or enabled

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

### Project Objective Indicators #3

Digital start-ups supported creating and/or leveraging a digital technology solution

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

### Intermediate Result Indicators #1

Beneficiaries that receive support under the smart device financing scheme

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

### Intermediate Result Indicators #2

People trained in digital literacy

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

### Intermediate Result Indicators #3

Additional internet access points established (connected government offices, schools, hospital, and marketplaces etc.)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Intermediate Result Indicators #4**

Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Intermediate Result Indicators #5**

Cybersecurity standards, compliance and audit framework published

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Intermediate Result Indicators #6**

Public sector officials trained in digital skills

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Intermediate Result Indicators #7**

Start-ups supported through the Project

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Intermediate Result Indicators #8**

Graduates from specialized digital skills training employed or in education within 12 months after completion

Year	Target	Actual	Comments, if any
Jun. 30, 2022	0	0	no impact expected in the first year

**Remarks:**