

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

1. Project Information

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| 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 | Lead 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: | Stefen Shin | | |
| Responsible DG: | Najeeb Haider | | |
| Responsible Department: | BNK2 | | |
| Project Team Members: | Guoping Yu, OSD - Procurement Specialist; Shodi Nazarov, OSD - Financial Management Specialist; Marcin Sasin, Economist; Liu Yang, Project Counsel; Duran Moy, Alternate Counsel; Xinchen Zhang, 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. Feb, 2023 World Bank conducted on-site mission in February 2023, while AIIB joined sessions virtually, including the Project Team, and Environmental, Social and Procurement specialists, for their respective sessions. | | |
| Planned Site Visits by AIIB: | Feb, 2023 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 | | |

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| | 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: | 0 |
| Previous Red Flags Assigned Date: | 2022/10 |

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: 1) Expanding digital adoption and access, by promoting digital access opportunities through last-mile connectivity, affordable smart devices, and broad-based digital skills acquisition; 2) 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 3) 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.

3. Key Dates

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| 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)

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| Contract Awarded: | | Cancellation (if any): | 0.00 |
| Disbursed: | 2.86 | Most recent disbursement (amount/date): | 2.86/Dec. 22, 2022 |
| Undisbursed: | 83.64 | Disbursement Ratio (%) ¹ : | 3.30 |

5. Project Implementation Update

- Overall implementation progress remains Moderately Satisfactory. As of April 30, 2023, disbursements of US\$3.72 million and US\$2.90 million had been made for IDA and AIIB, respectively, resulting in an overall disbursement rate of 3.6%. RISA is expecting to make new withdrawals in May, shifting to statement of expenses (SOE) based disbursement, drawing down a further US\$2 million this FY. While several new

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

tenders have been launched since the last ISM and many more are in the pipeline, disbursement this FY is expected to be modest, with sizable disbursements (\$US35-40million equivalent) due to materialize between Q1-Q2 next FY, stemming primarily from investments under Component 1. While many of the initial studies are now on track to be finalised, a handful have experienced 1–3 month delays either in contracting or delivery, which has pushed contracting of subsequent tenders into next FY. However, overall, implementation of Component 1 is progressing well; implementation of component 2 is beginning to accelerate; whereas Components 3 progress has been slower, to date. A scale-up in staffing of the PIU, which is now at close to full capacity, has also improved program management performance. - Progress towards the Project Development Objective (PDO) is Satisfactory. Based on activities currently in the pipeline, the project is expected to register progress in respect to many intermediary indicators next FY. - Government is on track to meeting all disbursements conditions this FY. This includes conditions linked to funding for the new Single Digital ID (SDID) system, the device access fund (DAF), as well as early-stage financing for start-ups.

- During the reporting period, 7 contracts have been successfully signed, with contract numbers of: 1. 000006/C/ICB/2021/2022/RDAP/1 - which corresponds to technical assistance to prepare a strategic and operational plan for the development of school digital infrastructure and the national research and education network, 2. 000009/C/ICB/2021/2022/RDAP/1 - which corresponds to technical assistance to develop a National Innovation Systems Strategy and Implementation plan and the 5- year Smart Rwanda Master Plan II, 3. 000011/C/ICB/2021/2022/RDAP/1 - which corresponds to technical assistance for affordable digital devices purchase scheme, 4. 000010/C/NCB/2021/2022/RDAP/1 - which was the tendering to hire a Cyber Security Expert, 5. 000013/C/NCB/2021/2022/RDAP/1 - which was tender to hire Digital Innovation Eco-System Expert, 6. 000001/C/NCB/2022/2023/RDAP/1 - which was the tender to hire a Project accountant for SPIU under RISA, 7. 000005/C/NCB/2022/2023/RDAP/1 - which was to hire Environmental Safeguards Specialists for RISA SPIU.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
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| Component 1: Digital Access and Inclusion 1) Access to affordable device: The study that will develop the design and detailed operationalization plan for the Device Access Fund (DAF), initially targeted for January completion, based on a condensed timeline proposed during the last mission, is still under implementation. The firm started the assignment in | N/A | N/A | N/A |

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| <p>November 2022 and is now due to be completed by the end of April.</p> <p>2) Digital literacy for all: The consortium recruited to evaluate the local digital skills ecosystem, craft a new National Digital Skills Framework, and develop a plan for the Digital Ambassadors Program (DAP) 2.0 has submitted its first deliverable as well as the data collection tools and benchmarking results. Delays were incurred, arising from the need to ensure alignment in scope and quality. However, having assigned new consultants to improve the quality of its delivery, the firm is now set to complete the assignment by end of June 2023.</p> <p>3) Last mile connectivity access: Consultancy assignments set to produce tender documentation for the scale-up of (i) a revamped One Government Network (OGN) and roll-out of public broadband access points; and (ii) school connectivity and digital infrastructure</p> | | | |
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| <p>investments are both still under implementation. The OGN study is in the advanced stages, with most key deliverables completed, including an inception report, a network diagnostic and connectivity needs assessment, as well as a recommendations report, with detailed financial and technical analysis.</p> <p>4) Legal, regulatory, and institutional capacity for broadband market development. Recruitment of a firm that will assess the socio-economic impact of telecommunication services and support RURA on an inventory and collection of key market metrics is currently at the RFP stage and due to be onboarded by June 2023.</p> | | | |
| <p>Component 2: Digital Public Service Delivery</p> <p>1) Digital identification (ID). The mission noted progress made on drafting the new ID law - a disbursement condition for most of the funding under sub-component 2.1. The draft Law was reviewed by the</p> | <p>N/A</p> | <p>N/A</p> | <p>N/A</p> |

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| <p>WB's legal team and based on additional due diligence carried out by a local lawyer, was deemed to align with best practice and the Principles on Sustainable Identification. The draft Law is set to be presented to Cabinet and Parliament, the last step before its adoption. Meanwhile, the feasibility study for digitization of civil records (CR) is coming to an end. In-house, outsourcing and hybrid models for digitizing records are being considered, with government leaning towards a hybrid model. The details will be spelt out in the tender documents due to be produce by the end of March, with plans to launch subsequent procurement by early May 2023.</p> <p>2) Government data management, sharing and analytics. Two tenders for consultancy services to develop (i) detailed technical and organizational design for the establishment of a centralized and collaborative Government Data Hub; and (ii) a</p> | | | |
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| <p>national geospatial policy and strategy, as well as the technical design and implementation plan for the geospatial segment of the Data Hub, have been advertised and EOIs received on January 31, 2023. RISA expects to award both contracts by June 2023.</p> <p>3) E-services in key sectors. Given targets set to digitalize all government services by 2024, a new approach to accelerate e-services digitalization has been proposed by RISA. RISA is planning to introduce a no-code/low-code platform to enable quick on-boarding of new e-services, including by third-party developers.</p> <p>4) E-services: Health sector. The e-health activities identified as ready to be launched last year, were placed on hold for some time due to funding made available by other Development Partners (DPs), which allowed Government to pilot the upgrade of key e-health systems (phase 1). Additionally, the Ministry of Health (MINISANTE)</p> | | | |
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| <p>decided to conduct a fresh national assessment of IT equipment needs, resulting in some changes proposed. RISA and MINISANTE have agreed to now proceed with the procurement of ICT equipment for some 90 referral hospitals, district hospitals, and health centres, where core systems are already in place, but equipment is missing, while acknowledging that project funds cannot equip all public health facilities and will thus need to be supplemented by other DPs. To optimize procurement, RISA will separate basic and more advanced equipment, leveraging RISA's existing framework contract to acquire the former and launching a new government framework contract for the latter before June 2023.</p> <p>5) E-services: Digitalization of SACCOs. Procurement of a firm set to provide quality assurance and auditing of the SACCO automation process is currently at the RFP stage, and due to be</p> | | | |
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| <p>onboarded by June 2023.</p> <p>6) Cybersecurity resilience. Contracting of a firm set to conduct a baseline cybersecurity capacity assessment, including support for the development a related action plan for the National Cyber Security Authority (NCSA), initially due in September 2022, is now being finalized.</p> <p>7) Data protection (DP). The NCSA noted that the selection of an embedded DP advisor was now at due diligence stage, having been relaunch.</p> | | | |
| <p>Component 3: Digital Innovation and Entrepreneurship</p> <p>1) Ecosystem support. A firm hired to conduct an entrepreneurial ecosystem market assessment was contracted in December, began working on the assignment in January 2023 and is scheduled to complete the assignment in April 2023.</p> <p>2) Early-stage finance (EF). A firm began work on the feasibility study for the EF mechanisms</p> | <p>N/A</p> | <p>N/A</p> | <p>N/A</p> |

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| <p>for innovative technology-enabled start-ups in mid-July and was due to complete the assignment by mid-October 2022. However, delivery has been delayed due to continued deliberations to ensure that the recommendations made fully consider the key project parameters and inputs from the BRD. The firm is due to share new recommendations by the end of February 2023. RISA and BRD agreed to share the design for EF models proposed by mid-March, for final WB feedback, before the firm concludes the assignments in April 2023.</p> <p>3) Next generation capabilities for the digital economy. Rwanda Coding Academy (RCA) has doubled its annual enrolment of students from 60 to 120, thanks to the support being provided by the project. RISA is in negotiations with a firm that has been selected to develop a sustainable operating model for the RCA and prepare bidding documents for RCA scale up interventions as well as design of the performance-</p> | | | |
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| <p>based bootcamps program for advanced digital skills. The firm is expected to come on board in early March 2023.</p> | | | |
| <p>Component 4: Project management (PM)</p> <p>1) Project Steering Committee (PSC). A representative from the Private Sector Federation has been identified and formally appointed.</p> <p>2) Annual Work Plans and Budget (AWP&Bs) and training plans. It was agreed that RISA and BRD will update their respective AWP&B to reflect mission discussions and share these with the WB for review by the end of March.</p> <p>3) PIU staffing. As of now, it was noted that 13 out of 16 RISA SPIU staff members have now been onboarded. Moreover, the Legal Specialist and Social Specialist positions are currently both at the contract negotiation stage.</p> <p>4) Other PM services and related issues. The WB has reviewed initial ToRs for a firm that will provide cross-</p> | <p>N/A</p> | <p>N/A</p> | <p>N/A</p> |

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| cutting communication services. | | | |
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Financial Management:

The project's financial management (FM) arrangements are on track to being satisfactory. The Project Implementation Manual (PIM) contains detailed FM guidelines. The FM capacity of BRD is adequate now with the SPIU Financial Management Specialist (FMS) and an accountant. The WB received IUFRRs, which the WB will share with AIIB. The following project audits are expected: 1) one is for RISA for the period ending June 30, 2023 and submitted by December 31, 2023; and another one is for BRD for the period ending December 31, 2023 with a due date of June 30, 2024.

6. Status of the Grievance Redress Mechanism (GRM)

Due to delayed recruitment of Social Specialist and Legal Specialist from RISA, the SPIU-level Grievance Redress Mechanism (GRM) at RISA is yet to be fully operational and related capacity building on GRM is pending. RISA has submitted a draft proposal for a community based GRM for review. Depending on the modalities for hiring staff for the SACCO digitization workstream, related provisions will need to be made in the MoU between RISA and MINECOFIN to ensure that a GRM is readily accessible to staff hired. More activity specific GRMs will be set up once the activities are launched.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

No real activities have commenced and hence no progress on indicators are reported this period.

Remarks:

| Project Indicators | Objective | Indicator level | Unit Measure | Cumulative Target Values | | | | | | | | | | | | Frequency | Responsibility | Comments | |
|---|-----------|-----------------|--------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|-----------|----------------|----------|--------|
| | | | | Baseline | | 2021 | | 2022 | | 2023 | | 2024 | | End Target | | | | | |
| | | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | Target | | | | Actual |
| Broadband penetration rate (mobile + fixed) | | Project | % | 2021 | 19.34 | 19.34 | | | | | | | | | 31 | | | | |
| Mobile broadband penetration rate | | Project | % | 2021 | 19.2 | 19.2 | | | | | | | | | 30 | | | | |
| Fixed broadband penetration rate | | Project | % | 2021 | 0.14 | 0.14 | | | | | | | | | 1 | | | | |
| Broadband penetration rate (mobile + fixed) - of which percentage are female | | Project | % | 2021 | 0 | 0 | | | | | | | | | 40 | | | | |
| Fully transactional G2P, G2B and G2G e-services that are introduced, upgraded or enabled | | Project | # | 2021 | 0 | 0 | | | | | | | | | 30 | | | | |
| Digital start-ups supported creating and/or leveraging a digital technology solution | | Project | # | 2021 | 0 | 0 | | | | | | | | | 140 | | | | |
| Digital start-ups supported creating and/or leveraging a digital technology solution - of which percentage are female owned | | Project | % | 2021 | 0 | 0 | | | | | | | | | 30 | | | | |

| Project Intermediate Indicators | Indicator level | Unit Measure | Cumulative Target Values | | | | | | | | | | | | Frequency | Responsibility | Comments | |
|--|-----------------|--------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|-----------|----------------|----------|--------|
| | | | Baseline | | 2021 | | 2022 | | 2023 | | 2024 | | End Target | | | | | |
| | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | Target | | | | Actual |
| Beneficiaries that receive support under the smart device financing scheme | | Project | # | 2021 | 0 | 0 | | | | | | | | | 250000 | | | |
| Beneficiaries that receive support under the smart device | | Project | % | 2021 | 0 | 0 | | | | | | | | | 50 | | | |

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| financing scheme - of which percentage are female beneficiaries - of which percentage are female beneficiaries | | | | | | | | | | | | | | | | | | |
| Beneficiaries that receive support under the smart device financing scheme - of which percentage are female beneficiaries - of which percentage are beneficiaries in rural areas | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 30 |
| People trained in digital literacy | Project | # | 2021 | 0 | 0 | | | | | | | | | | | | | 3000000 |
| People trained in digital literacy - of which percentage are female | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 40 |
| Additional internet access points established (connected government offices, schools, hospital, and marketplaces etc.) | Project | # | 2021 | 0 | 0 | | | | | | | | | | | | | 2500 |
| Additional internet access points established (connected government offices, schools, hospital, and marketplaces etc.) - Of which percentage are in rural areas | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 75 |
| Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent) | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 75 |
| Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent) - of which percentage are female | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 40 |
| Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent) - of which are children (<16 years old) | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 50 |
| Cybersecurity standards, compliance | Project | Y/N | 2021 | No | No | | | | | | | | | | | | | Yes |

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| and audit framework published | | | | | | | | | | | | | | | | | | |
| Public sector officials trained in digital skills | Project | # | 2021 | 0 | 0 | | | | | | | | | | | | | 600 |
| Start-ups supported through the Project | Project | # | 2021 | 0 | 0 | | | | | | | | | | | | | 300 |
| Graduates from specialized digital skills training employed or in education within 12 months after completion | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 75 |
| Graduates from specialized digital skills training employed or in education within 12 months after completion - of which percentage are female | Project | % | 2021 | 0 | 0 | | | | | | | | | | | | | 35 |