

Kosovo: Kosovo Digital Economy (KODE) Project

Third Public Consultation with Internet Service Providers (ISPs) for Potential White Areas under the Financing of Digital Connectivity

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I. BACKGROUND

The Government of Kosovo has secured support from the International Development Association (IDA) (hereinafter ‘the Bank’) for a Kosovo Digital Economy (KODE) Project in the amount of 20,7 million EUR. The KODE Project aims to improve access to better quality and high-speed broadband services in project areas and to online knowledge sources, services and labor markets among citizens, public and academic institutions.

It is foreseen that **the Project will achieve its development objective through two main sets of activities:** (1) expanding access of Kosovars to high-speed and better quality digital infrastructure; and (2) support Kosovars to take advantage of regional and global Digital Economy (DE) opportunities, especially for income generation, usage of services, and learning, thus triggering the growth of a DE in Kosovo.

The KODE is implemented by the Ministry of Economic Development (MED) that provides strategic direction and technical oversight to the entire Project. MED oversees the Information and Communications Technology (ICT) sector development and executes this mandate through the Department of Post, Telecommunication and Information Technology (the Department), which for the purposes of the Project acts as the lead implementing agency and carries the primary responsibility for all Components of the Project. The Department implements the project through the Project Implementation Unit (hereinafter KODE-PIU) that for that purpose was established within the Department.

The Project is structured along three components: Digital Inclusion (Component 1), Digital Work and Empowerment (Component 2), and Project Implementation Support (Component 3).

This public consultation concerns the identification of the uncovered areas under the Grant Scheme that is part of the Component 1 of the Project (as subcomponent 1.1) and is outlined in more details below.

The Objective of the Grant Scheme is to finance the sub-projects to deploy broadband infrastructure of the defined quality, to support connection of the identified uncovered areas, incl. households and institutions. Grants shall be awarded on the basis of the open, transparent and non-discriminatory competitive selection process respecting the principle of technology neutrality. On those grounds, Grant Scheme will award grants to the selected beneficiaries.

Awarded grants are dedicated to cover the costs of the eligible expenditure, such as deployment of passive and active broadband infrastructure and civil works. Grant amount can cover up to 50 (fifty) percent (of the eligible expenditure only) of the total project's budget. Remaining part of the project's budget shall be matched by the selected beneficiary. By accepting the grant, selected beneficiary will assume defined set of obligations. Terms and conditions of the awarded grant, incl. the obligations, will be defined by the Grant Agreement.

Implementation arrangements of the Grant Scheme are established by the Grant Operations Manual (part of the Project Operations Manual) which is published in MED's website.

Initial and integral part of the Grant Scheme is identification of the uncovered geographical areas that shall be addressed through the Project (hereinafter white areas). According to the Grant Operations Manual, the process of the identification of the white areas follows three stage approach: (1) Desk review of the available information; (2) Field check; and (3) Consultation with the Internet Service Providers (ISPs). Full procedure for identification, validation and confirmation of the white areas is outlines in the section 1.2 of the Grant Operations Manual. To date MED has conducted two first stages of the process for identification of white areas, and with this Public consultation seeks to complete the identification of these white areas through the consultation with the ISPs regarding the pre-identified white areas.

In the confirmed white areas MED, through the Grant Scheme, will offer grants to ISPs for deployment of the high-speed broadband infrastructure in accordance with processes and procedures established by the Grant Operations Manual and Call for (Grant) Applications.

II. PURPOSE OF THE CONSULTATION

The purpose of this public consultation is to establish whether ISPs have concrete (approved) plans to roll out their own infrastructure in pre-identified white area listed in the Table 1 in the section III of this document with the next 3 years from the moment of publication of this consultation;

III. INFORMATION ABOUT THE PRE-IDENTIFIED WHITE AREAS

Pre-identified white area is geographical area with no fixed electronic communication infrastructure that could support provision of connections of at least 30 Mbps download speed to the households and institutions located in that area.

Following the process of the identification of the uncovered (white) areas, MED has pre-identified number of white areas. Pre-identification of those white areas is based on the information gathered from the ISPs, the information available from the Regulatory Agency for Electronic Communications and Postal Services (ARKEP), as well as information collected by the MED staff during the site visits to and the meetings with the inhabitants of the visited cadastral zones (during April – May 2019).

Pre-identified white areas that are listed in the table below, will be grouped into sub-projects (LOTs) in the up coming Calls for Applications.

Table. 1 Pre-identified white areas and their locations (municipality, village)

No.	Municipality	Village
1	Suhareke	Luzhnicë
2	Suhareke	Javor
3	Peja	Pepaj
4	Peja	Shtupeq i madh
5	Peja	Shtupeq i vogël
6	Mitrovicë	Maxherë
7	Mitrovicë	Melenicë
8	Mitrovicë	Zijaqë
9	Podujevë	Barainë
10	Prishtinë	Ballaban
11	Podujevë	Kushevicë
12	Podujevë	Kalaticë
13	Podujevë	Bervenik
14	Podujevë	Metregoc
15	Podujevë	Hërticë
16	Podujevë	Turuçicë
17	Prizren	Struzhë
18	Prizren	Drajçiq
19	Prizren	Bogoshevc
20	Prizren	Sredskë
21	Kamenicë	Hajkobillë
22	Kamenicë	Zajqec

Additionally, geographical location of the pre-identified white areas is provided on the Figure below.

Figure.1 Map of the pre-identified white areas.



Note: Pre-identified white areas are marked as uncovered.

Pre-identified white area will be considered confirmed (or identified) if throughout this Public consultation none of the ISPs would prove information in accordance with the below requirements about the concrete (approved) plans to roll out their own infrastructure in pre-identified white areas within the next 3 (three) years. Such infrastructure shall be at least the same or exceed the technical quality parameters of the intended (by the Project) infrastructure for the white areas, i.e. fixed broadband infrastructure that could support provision of connections of at least 30 Mbps download speed to the households and institutions.

If following this public consultation each of the white areas will be confirmed as a white, sub-project (LOT) that will comprise these zones will be included in the upcoming Calls for Applications under the Grant Scheme.

In case ISP has concrete (approved) plans to roll out own infrastructure in one or few pre-identified white areas, during the period of this Public consultation it shall submit Declaration of Interest linked to specific pre-identified area(s). Declaration of Interest shall be submitted in writing, signed by legal representatives of the ISP and include the **documented proofs** of the intended commitments. Such documented proofs shall include at least the following: (a) a credible business plan and supporting documents, e.g. bank loan agreements; (b) a detailed calendar deployment plan, incl. drawings, timeline, POP (Point of Presence) presence, technology, network topology etc.; (c) confirmation that the investment will start within 12 months from the date of submission of the Declaration of Interest, and that construction permits are obtained for most of the rights of ways necessary for the project; and (d) a reporting plan on the progress made and ‘milestones’ which would have to be achieved during the 3-year period. These proofs should demonstrate that significant progress in terms of coverage will be made within the **3-year period** foreseen for the supported investment. In this regard, an ISP should be able to demonstrate that within the 3-year period will cover the white area(s) in question and the population concerned thereby.

Given the compliance with the above, MED and ISP will agree on the additional milestones to monitor the progress of the investment for every 6-month period and MED will exclude pre-identified white area(s) in question from the list of the pre-identified white areas.

If declared and / or agreed upon milestone is not achieved due to the ISP fault; the relevant area shall be declared identified (confirmed) as white area and relevant Project activities shall resume. The ISP that failed to achieve the milestone will be excluded from further participation in the Grant Scheme.

IV. PROJECT ACTIVITIES IN IDENTIFIED WHITE AREAS

Project activities for the identified (confirmed) white zones will commence after the deadline of this public consultations pass and Declaration of Interest will not be submitted.

In case, the Declaration(s) of Interest is received for one or more pre-identified white areas, MED will analyze the Declaration(s) of Interest and take the decision regarding each concerned area. Project activities will continue per sub-projects (LOTs) for the identified (confirmed) white areas as indicated in the Table.

All relevant information about the Call for Applications will be announced through the MED website shortly after the deadline of public consultation as stated in this document.

V. PROVISION OF THE RESPONSE AND CLOSING DATE OF THE PUBLIC CONSULTATION

Interested ISPs are invited to submit their written comments, incl. Declaration(s) of Interest, not later than **May 31, 2019** at the address below.

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