

Kosovo: Kosovo Digital Economy (KODE) Project

First Public Consultation with Mobile Network Providers under the Financing of Digital Connectivity

Issued on: 30.06.2020

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 Economy and Environment (Ministry) that provides strategic direction and technical oversight to the entire Project. Ministry 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 unconnected towers 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 this Grant Scheme is to finance the sub-projects to deploy broadband infrastructure and connect mobile towers with this infrastructure. 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 80 (eighty) 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 on KODE project's website.

Initial and integral part of the Grant Scheme is identification of unconnected towers that shall be addressed through the Project. According to the Grant Operations Manual, the process of identification follows three stage approach: (1) Desk review of the available information; (2) Field check; and (3) Consultation with mobile network providers. Full procedure for identification, validation and confirmation is outlined in the section 1.2 of the Grant Operations Manual. To date Ministry has conducted two first stages of the process for identification of unconnected towers, and with this Public consultation seeks to complete the identification through the consultation with potential beneficiaries (mobile network providers).

For confirmed unconnected towers, Ministry through the Grant Scheme, will offer grants to beneficiaries 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 mobile network providers have concrete (approved) plans to roll out their own infrastructure to unconnected towers (listed in the Table 1 in the section III of this document) within the next 3 years from the moment of publication of this consultation;

III. INFORMATION ABOUT THE PRE-IDENTIFIED UNCONNECTED TOWERS

Pre-identified towers are towers that are not connected with fixed electronic communication infrastructure.

Following the process of the identification of unconnected towers, Ministry has pre-identified a certain number of those towers. Pre-identification is based on the information gathered from mobile network providers, the information available from the Regulatory Agency for Electronic Communications and Postal Services (ARKEP), as well as information collected by the Ministry staff during the site visits (during June 2020).

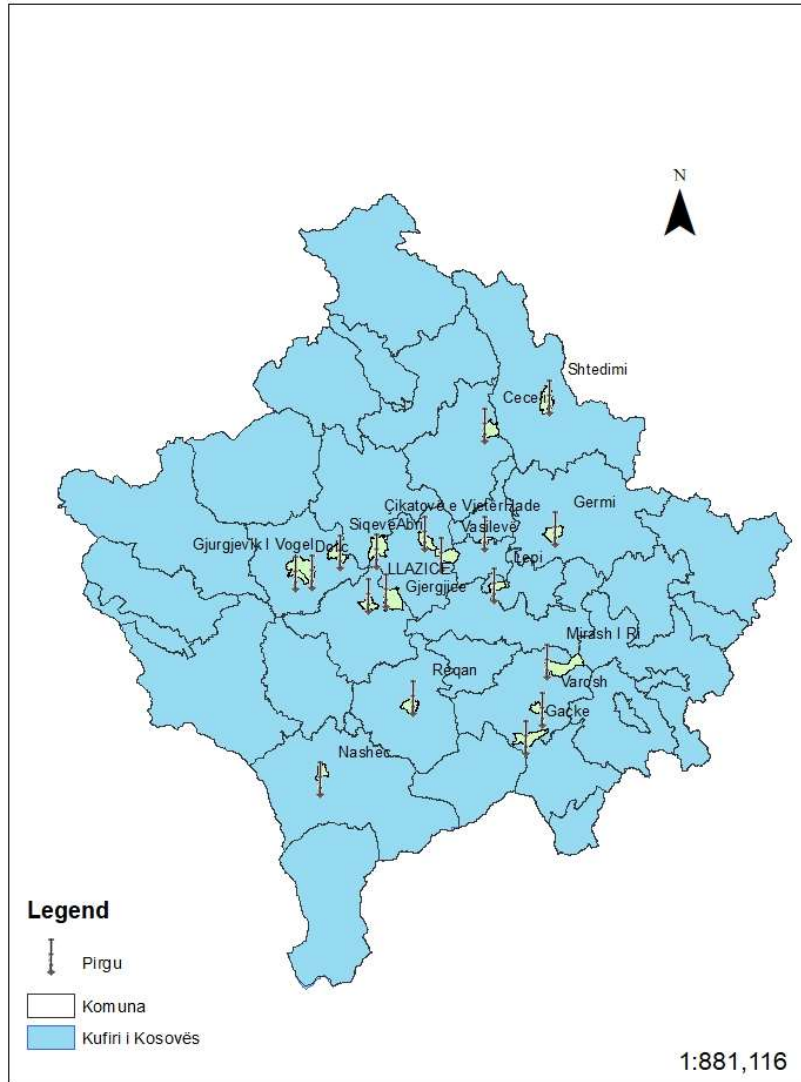
Pre-identified unconnected towers that are listed in the table below, will be published in the upcoming Calls for Applications as sub-projects.

Table. 1 Pre-identified unconnected towers and their location

No.	Location of tower	Municipality
1	Gërmi	Prishtinë
2	Ceceli	Vushtrri
3	Vasilevë	Drenas
4	Nashec	Prizren
5	Lepi	Graçanicë
6	Reçan	Suharekë
7	Mirash i Ri	Ferizaj
8	Hade	Obiliq
9	Çikatovë e Vjetër	Drenas
10	Llozicë	Malishevë
11	Siqevë	Klinë
12	Gjurgjevik i Vogël	Klinë
13	Dollc	Klinë
14	Abri e Epërme	Drenas
15	Gjergjice	Drenas
16	Varosh	Ferizaj
17	Gaçkë	Ferizaj
18	Shtedim	Podujevë

Additionally, geographical location of the pre-identified unconnected towers is provided on the Figure below.

Figure.1 Map of the pre-identified unconnected towers.



Note: Location of pre-identified towers

Pre-identified tower will be considered confirmed (or identified) if throughout this Public consultation none of the mobile network providers would prove information in accordance with the below requirements about the concrete (approved) plans to connect pre-identified towers with fixed broadband infrastructure 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).

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

In case one of mobile network providers has concrete (approved) plans to connect pre-identified towers during the period of this Public consultation it shall submit Declaration of Interest linked to specific pre-identified tower. Declaration of Interest shall be submitted in writing, signed by legal representatives of the mobile network provider 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, a mobile network provider shall be able to demonstrate that within the 3-year period will cover the tower in question.

Given the compliance with the above, Ministry and mobile network provider will agree on the additional milestones to monitor the progress of the investment for every 6-month period and Ministry will exclude pre-identified tower(s) in question from the list of the pre-identified towers.

IV. PROJECT ACTIVITIES FOR CONNECTING IDENTIFIED TOWERS

Project activities for connecting identified (confirmed) towers 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 towers, Ministry will analyze the Declaration(s) of Interest and take the decision regarding each of them. Project activities will continue per sub-projects (LOTs) for the identified (confirmed) towers as indicated in the Table.

All relevant information about the Call for Applications will be announced through the KODE project 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 mobile network providers are invited to submit their written comments, incl. Declaration(s) of Interest, not later than **July 07, 2020** at the address or e-mail below.

Ministry of Economy and Environment (MEA)

Str. Mother Theresa no.36.

First floor, room no.112

10000, Prishtina, Kosovo.

email: mzhe.tik@rks-gov.net

website: <https://kodeproject.org/>

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