



EAST AFRICAN COMMUNITY

TERMS OF REFERENCES

CONSULTING SERVICES TO DEVELOP A POLICY AND REGULATORY FRAMEWORK TO ELIMINATE BARRIERS AND ENHANCE THE BUSINESS ENVIRONMENT FOR PRIVATE SECTOR INVESTMENT IN TELECOMMUNICATIONS INFRASTRUCTURE IN THE EAC REGION

Project: Eastern Africa Regional Digital Integration Project SOP-I (P176181)

Contract Type: Consultancy Services (Firm or Consortium of Firms)

Estimated Duration: 42 weeks

Location: Remote, with field missions required

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1. BACKGROUND

The Eastern Africa Regional Digital Integration Project (EARDIP) is a **US\$342M** series of projects (SoP) financed by the **World Bank** with an aim to advance digital market integration in the **Eastern Africa region** by increasing cross border broadband connectivity, data flows and digital trade in the region. Under EARDIP, the [Intergovernmental Authority on Development \(IGAD\)](#) and the [East African Community \(EAC\)](#) serve as key facilitators of digital integration in Eastern Africa, including the Horn of Africa. This approach ensures a more coordinated strategy for regional digital development and integration. The project under the EAC is valued at **US\$15M** and is structured into **four (4)** components: -

Component 1: Connectivity Market Development and Integration. Specifically, **Sub-component 1.3: ‘Enabling Legal, Regulatory and Institutional ICT Environment’** aims to support the harmonization of cross border telecommunication infrastructure and services within the EAC and its member states. The project will finance a series of legal, regulatory and technical assistance activities, along with capacity building programs.

Component 2: Data Market Development and Integration. Specifically, **Sub-component 2.1: ‘Cybersecurity Frameworks, Infrastructure and Capacity’** aims to strengthen and harmonize cybersecurity frameworks across EAC member states to enhance the security of cross-border data flows. This will comprise financing for legal and technical assistance, capacity-building for managing cybersecurity risks, conducting regional awareness campaigns on cybersecurity and acquiring services and equipment to establish a regional incident response, information-sharing and cybersecurity coordination platform. In addition, **Sub-component 2.2: ‘Data Exchange, Governance and Protection’** focuses on safeguarding personal data, promoting trust and enabling cross-border data flows. The activities here-in will focus on enhancing the environmental and institutional capacities necessary for integrating the data market by harmonizing data protection regulations.

Component 3: Online Market Development and Integration. Specifically, **Sub-component 3.1: ‘Digital Cross-border Trade, Payment and Service Enablers’** aims to promote trade in services and e-commerce across the region. This will support the development of a strategy for the EAC, laying the groundwork for AfCFTA’s e-Commerce protocol negotiations. These activities will help establish region-wide rules on online markets by harmonizing laws and regulations in critical policy areas for digital market integration. The policy areas will focus on enabling remote transactions, including the regulatory framework for e-signatures, online intermediaries and payment interoperability.

Component 4: Project Management and Implementation Support. This aims to finance technical assistance and capacity building support for project implementation, including the **cost of establishing and operating the Project Implementation Unit (PIU)** within the EAC’s ICT Department, as supported by the Directorate of Planning.

2. SECTORAL OVERVIEW AND STRATEGIC OUTLOOK

The Eastern Africa region is undergoing digital transformation, with digital technologies driving growth, innovation and competitiveness in the region. The access to digital infrastructure, particularly telecommunications networks, is essential to this transformation. However, despite notable progress so far made, the region still faces considerable barriers to achieving widespread digital connectivity, particularly in the borderland, rural and underserved areas. In the Sub-Saharan Africa at large, **it is estimated only about 27% of the population had access to mobile broadband by the end of 2023**, far below the global average of **57 per cent**.¹ Meanwhile, the telecommunications sector continues to contribute substantially to public sector funding, generating nearly \$20B in tax revenue.²

In Eastern Africa, major cities have benefitted from improved telecommunications connectivity, thanks to the submarine cable connections, expanded fiber backbone networks and increased market competition. However, rural areas continue to lag behind, suffering from funding gaps and coverage disparities. **Private operators remain reluctant to invest in these regions due to low demand, unpredictable policy environments and high infrastructure costs**.³ To address these challenges, the EAC is considering the **development of a new formula or principles or harmonization of existing policy frameworks** to eliminate barriers to private sector investment, bridge the digital divide and encourage greater investment in telecommunications infrastructure.

The significant barriers and gaps persist particularly in fixed broadband, last-mile connectivity, network redundancy, cable route diversity, cross border and national backbone networks as well as backhaul and access network infrastructure. These gaps are most pronounced in rural and borderland areas, where private capital is scarce due to the commercial risks. The lack of investment in these areas hinders the full realization of digital transformation and impedes progress toward achieving the [UN Sustainable Development Goals \(UN SDGs\)](#).⁴ Given that deploying telecommunications infrastructure requires significant upfront capital, estimated at **US\$100B to achieve universal broadband coverage in Sub-Saharan Africa**, countries in the region must invest between **2% and 8% of their GDP annually until 2030**⁵. Therefore, private sector participation is critical.

Still, despite the potential of the private sector to bridge this investment gap, **inconsistent regulations, fragmented markets and bureaucratic hurdles** across EAC member states deter private sector participation. To address these issues, there is a need for not only more enabling national policies but also a harmonized regional policy framework to enhance transparency and reduce legal uncertainties across national borders. Clear guiding principles are essential to ensure alignment, predictability and coherence in policy implementation, fostering an environment that is conducive to investment. Therefore, establishing a stable and predictable policy environment is essential to attracting and retaining private sector capital. Public Private Partnerships (PPPs) present a viable mechanism to overcome financial and regulatory constraints. However, their

¹ [GSMA, 2024 - The Mobile Economy Sub Saharan Africa 2024](#)

² [GSMA, 2024 - The Mobile Economy Sub Saharan Africa 2024](#)

³ [World Bank, 2023 – Size and Distribution of Digital Connectivity Gaps in Sub Saharan Africa](#)

⁴ [Bhattacharya et al. \(2022\) - Financing a Big Investment Push in Emerging Markets and Developing Economies for Sustainable, Resilient and Inclusive Recovery and Growth. London School of Economics and Political Science and Washington, DC: Brookings Institution.](#)

⁵ [Rozenberg, Julie; Fav, Marianne. 2019. Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet. Sustainable Infrastructure. © Washington, DC: World Bank](#)

success will depend on a well-defined set of principles that promote market efficiency and long-term sustainability, among others. Public Private Partnerships (PPPs) are expected to leverage private financing while reducing the burden on public finances, enable risk-sharing between the public and private sectors and also promote long-term sustainability by incorporating private sector expertise and innovation. A more enabling regional PPP framework, supported by clear legal and regulatory guidelines as well as clear guiding principles and enforcement mechanism, can foster **cross border cooperation, encourage resource sharing and achieve greater economies of scale**.⁶ The **elements of the framework** are envisioned to include (1) consistent regulations across member states to reduce market fragmentation, particularly in tax policies (not limited to spectrum fees, levies and customs duties), licensing structure (not limited to spectrum allocation and pricing models), foreign direct investment rules and tariff structures that balance affordability and quality, (2) universal service obligations (3) intellectual property rights to protect telecommunications innovations, (4) dispute resolution mechanisms for public-private partnership (PPP) agreements and (5) policies on dark fiber infrastructure and related cross-border enablers. By creating a predictable operating environment these measures, among others, will help de-risk investment projects and build investor confidence, ensuring sustained private sector participation.

To achieve these ambitions, the EAC seeks to engage a consulting firm to develop a **regional policy framework** that will: (1) remove barriers to private sector investment; (2) harmonize institutional arrangements across the region to promote cross-border infrastructure investments; (3) identify and propose innovative procurement methods and legal reforms to attract private sector participation and facilitate public-private partnerships (PPPs); and (4) propose de-risking mechanisms to make high-capital projects, particularly in borderland, rural and underserved areas, more attractive to private investors. For effective implementation and compliance, the firm will also be expected to propose **a clear guiding principles and a legal or an enforcement mechanism** that aligns with the proposed policy framework. These measures will not only drive telecommunications infrastructure development but also bridge the digital divide and foster inclusive economic growth, ultimately creating a more competitive and connected digital economy in Eastern Africa.

3. OBJECTIVE OF THE ASSIGNMENT

In general, the consulting firm is expected to develop a **regional policy framework** to remove barriers and enhance the business environment for private sector investment in telecommunications, alongside **a clear guiding principles and an enforcement mechanism** that supports and enforces this policy for a predictable and stable operating environment across the EAC region and its member states.

4. SCOPE OF THE ASSIGNMENT

Specifically, this assignment aims to develop a **regional Public Private Partnership (PPP) policy framework** to enhance private sector investment in telecommunications infrastructure across the

⁶ [*Doyle, Kemp, Sutcliffe, Senaji \(2024\) - Leveraging Private Sector Investment in Digital Communications Infrastructure in Eastern Africa : World Bank Group*](#)

EAC. This will be undertaken through a structured approach comprising **Preparatory Work** and **Detailed Work**:

Preparatory Work

- a) **Evaluate Existing Infrastructure**, by conducting a high-level evaluation of telecommunications infrastructure investments at national, regional and cross-border levels within the EAC. This evaluation should leverage existing studies and mapping efforts from organizations such as the **ITU and World Bank** to identify gaps in infrastructure development, operation and maintenance. Special attention should be given to broadband networks, last-mile connectivity and challenges in borderland, rural and underserved areas. The evaluation should ensure that available data is fully utilized to inform detailed work, minimizing the need for additional data collection before initiating detailed gap analysis.
- b) **Review Policy and Institutional Frameworks**, by analyzing existing national and regional PPP policy frameworks to identify inconsistencies that hinder private sector capital, particularly in the cross-border telecommunications investments.
- c) **Conduct Gap Analysis**, by identification of financial and technical barriers to private investment in telecommunications infrastructure, highlighting shortcomings not only in financing mechanisms but also in investment incentives and operational challenges, benchmarking these against international standards and global best practices.
- d) **Engage Stakeholders**, by collaborating with key stakeholders, including regulators, policymakers, private sector investors, network operators and technology providers, to gather input and feedback to inform the detailed development of a model regional policy framework and legal enforcement mechanism designed to attract private sector investment in telecommunications infrastructure.

Detailed Work

- a) **Develop a Policy Review Work Plan** - Propose a detailed work plan for review of existing policies at both national and regional levels. This includes assessing current policies related to Public-Private Partnerships (PPPs), private sector capital attraction and cross-border collaboration on telecommunications infrastructure investments **to identify areas for alignment and improvement.**
- b) **Formulate a Strategic Framework** - Based on the findings from the policy review roadmap and needs analysis, propose action plans and programs, benchmarking these plans against international standards and global best practices to guide the development of a harmonized regional policy framework for the EAC.
- c) **Recommend a Coordination Mechanism** - Propose a coordination mechanism for implementing the regional policy framework, outlining how to synchronize efforts across ministries, departments, agencies (MDAs) and specialized institutions, if need be, at the EAC Secretariat and within member states.
- d) **Deliver Training Sessions** - Develop and conduct at least one (1) capacity building sessions for policymakers, regulators and other key stakeholders to enhance their understanding of **guiding principles and policy elements essential for a model PPP framework**, including cross border implications, strengthening their capacities with materials provided as references.

- e) **Develop a Monitoring, Evaluation and Learning (MEL) Plan** - Design a MEL framework specifically for assessing the effectiveness and impact of the proposed **PPP Policy Framework** developed under this assignment. The plan should establish key performance indicators to evaluate how well the framework facilitates private sector investment and enhances the telecommunications ecosystem across the EAC region.
- f) **Draft and Finalize the Policy Framework** - Integrate all components into a **detailed draft regional PPP policy framework**. Validate the draft through Workshop of Stakeholders, regional/national consultations before finalizing it for consideration by the **EAC Council of Ministers**.
- g) **Legal Advisory** - Based on the analysis, consultations and strategic direction of the PPP Policy Framework, assess the necessity of legislative or regulatory guidelines that may support the implementation of the **proposed PPP framework**, provide an advisory on the most suitable enforcement mechanisms and recommend appropriate channels for consideration.

5. DELIVERABLES AND PAYMENT ARRANGEMENTS

5.1 Deliverables and Submission Guidelines

Under the supervision of the Telecommunications Advisor for EARDIP, the Consulting Firm is expected to undertake the following: -

a) INCEPTION REPORT

- The inception report should be submitted by the Consultant within **four (4) weeks** from the date of signing the Contract
- **This should include:**
 - The consulting firm's understanding of the ToRs;
 - A roadmap of planned activities and estimated timelines;
 - A methodology for Stakeholder Engagement;
 - Initial Findings from evaluation of existing infrastructure, policies and institutional frameworks;

b) FIRST INTERIM REPORT

- The first interim report should be submitted within **eighteen (18) weeks** from the date of the Inception Report.
- **This should include:**
 - Draft Gap Analysis
 - Stakeholder Analysis/Inputs and Proposed Roadmap of Policy Reviews;
 - Draft Strategic Framework, Guiding Principles, Coordination Mechanism and Proposed Training Content based on a Needs Analysis across EAC Member States;

c) SECOND INTERIM REPORT

- The second interim report should be submitted within **ten (10) weeks** from the date of First Interim Report.
- **This should include:**
 - Draft **Policy Framework** and a **Legal Advisory**

- Monitoring, Evaluation and Learning (MEL) Plan, specific to the proposed PPP Policy Framework

d) FINAL REPORT

- The final report should be submitted within **eight (8) weeks** from the date of the Second Interim Report.
- **This should include:**
 - A **Legal Advisory** and **Final Draft Regional PPP Policy**, consolidating all finalized components and incorporating feedback from stakeholder workshops, national and regional consultations;
 - A concise **Summary Report** (max - 10 pages) with key analyses, stakeholder feedback, findings and recommendations.

To ensure a smooth review and approval process for the proposed deliverables, the following conditions must be adhered to: -

- 1) The consulting firm shall submit **two (2) hard copies** and **one (1) electronic copy** (Word and PDF) of the final deliverables, including all relevant annexures, to the EAC Secretariat.
- 2) Draft deliverables shall be submitted electronically. The consultant is expected to appropriately mark successive drafts to highlight changes from the previous version for version control.
- 3) Final approval of all deliverables, linked to payments, shall be the responsibility of the EAC Secretariat, in consultation with the World Bank Task Team Leader.
- 4) The **Final Draft Policy Framework, Draft Legal Advisory** and a **Summary Report** (max. 10 pages) must be prepared in both **French and English** to ensure accessibility for all relevant stakeholders.

5.2 Payment Arrangements

Payments to the Consulting Firm shall be made upon successful delivery of the required outputs, in accordance with the schedule proposed below: -

Indicative Timing	Milestone/Deliverable	Payment (%)
Contract Signature	Signed Contract	0%
Contract Signature (+4 weeks)	Inception Report	10%
Inception Report (+18 weeks)	First Interim Report	40%
1 st Interim Report (+12 weeks)	Second Interim Report	40%
2 nd Interim Report (+8 weeks)	Final Report	10%

6. KNOWLEDGE TRANSFER

Knowledge transfer is an integral aspect of this assignment and must be embedded in the technical proposal. The aim is to ensure that the recipients or the impacted groups are equipped with the tools, skills and knowledge needed to effectively utilize and mobilize the key elements of the proposed Framework. To achieve this, the consultant should ensure that recommendations and analyses are specific and precise. These should be supported by concrete and contextual examples and accompanied by an actionable, programmatic and comprehensive roadmap to ensure that the guidance provided is practical and implementable.

7. STAKEHOLDER CONSULTATION

The consultant is expected to develop a consultation methodology to engage a diverse range of stakeholders, addressing all the key topics. This methodology should integrate global best practices while ensuring inclusivity by involving **civil society, consumer groups, mobile network operators, policy makers and technology providers**. It must integrate inclusive design considerations for gender and for persons with disabilities. The approach should recommend national and regional consultations, workshops or a combination of both before each deliverable. This will ensure a thorough analysis and alignment with the Community's regional integration goals and shall be documented and shared with the EAC Secretariat and the World Bank.

8. RESPONSIBILITIES

8.1 Client Responsibilities

The client shall undertake the following responsibilities to support effective performance throughout the assignment period:

1. **Facilitate Connections:** To assist the selected firm by providing access to key contacts within Development Partners and relevant Ministries, Departments and Agencies (MDAs) in the Member States.
2. **Provide Resources:** To supply essential data and literature, where available, to enable the consultant to familiarize themselves with the context for success of the assignment.
3. **Coordinate Efforts:** To oversee effective coordination and maintain clear communication throughout the period of the assignment.
4. **Designate Counterparts:** To appoint suitable counterparts, if necessary, to collaborate and support the consulting firm in undertaking the assignment.
5. **Review Deliverables:** To evaluate and provide timely feedback on all submitted deliverables.
6. **Ensure Timely Payments:** To facilitate prompt payment and allocation of necessary resources.

8.2 Consultant Responsibilities

The consultant shall undertake the following responsibilities to support effective performance throughout the assignment period:

1. **Adhere to Agreed Terms:** To comply with the agreed-upon scope, methodology and timeline.
2. **Maintain Communication:** To maintain regular and transparent communication with the client.
3. **Deliver High-Quality Outputs :** To ensure deliverables meet the required quality standards and deadlines.
4. **Provide Technical Expertise:** To offer professional insights and guidance throughout the assignment.
5. **Address Challenges Proactively:** To identify and resolve any issues or challenges that arise during the consultancy.

9. DURATION OF THE ENGAGEMENT AND LOCATION

The assignment is anticipated to be completed within **forty-two (42) weeks**. While the Executing Agency is the **EAC Secretariat, headquartered in Arusha**, the consulting firm may work remotely, with occasional travel for in-person engagements, national consultations and missions as needed.

10. QUALIFICATIONS AND EXPERIENCE REQUIREMENTS

10.1 Firm Experience:

- 1) **General Experience:** Proven expertise in global telecommunications policy, with an emphasis on enhancing environments for infrastructure investment, cross-border digital infrastructure and developing PPP strategies for infrastructure projects.
- 2) **Regulatory Expertise:** Knowledge of national and international regulations and best practices governing PPPs in the digital infrastructure, including regional and global regulatory standards and practices / models for private sector participation.
- 3) **Sectoral Experience:** Demonstrated experience working with both public and private sector stakeholders in digital infrastructure development, particularly in fixed/mobile broadband, last-mile connectivity, universal service and infrastructure financing models.
- 4) **Geographical Expertise:** Experience in developing countries, particularly in the Eastern Africa, Horn of Africa or similar contexts.
- 5) **Proposed Approach:** Clear, feasible approach tailored for the EAC region, leveraging best practices and lessons learned from similar global/regional assignments.

10.2 Staffing Requirements:

- 1) **Work and Staffing Plan:** The consulting firm must submit a detailed work plan accompanied by a staffing plan and manning schedule, clearly outlining the timeline for each proposed activity and the required staff input.
- 2) **Staff Profiles:** The proposal should include CVs and copies of the highest educational certificates for all key project staff, specifying the estimated duration of their deployment in man-months and their respective tasks and responsibilities. Only staff with approved CVs will be engaged.
- 3) **Backstopping Support:** The firm must identify and provide the necessary backstopping and support staff to ensure the timely and successful completion of the assignment.

10.3 Key Expertise Required

The proposed project team must include experts with **at least the following skills and experience** for successful execution of the assignment: -

- a) **Team Leader:** Master Degree in Telecommunications, IT, Public Policy, Economics, Law or related fields, with **10+ years of experience** in strategic planning, regional network infrastructure deployment, PPP modelling and / or managing cross-border digital connectivity policy frameworks. Expertise in cross-border connectivity agreements or rules for digital integration is essential. Proficiency in English is mandatory; fluency in French or another local language is a plus.

- b) **ICT / Telecommunications Policy Expert:** Master Degree in ICT Policy, Telecommunications Economics or related fields, with **7+ years of experience** in developing connectivity infrastructure policies, agreements and standards, particularly for cross-border connectivity infrastructure policies. Expertise in cross-border connectivity agreements is essential. Proficiency in English is mandatory; fluency in French or another local language is a plus.
- c) **Policy and Legal Expert:** Master Degree in Law, Public Policy or related fields, with **7+ years of experience** in drafting legislative, policy and regulatory frameworks, guidelines, directives, codes and agreements for multi-country telecommunications infrastructure. A deep understanding of PPP laws and regulatory structures particularly within the context of Horn of Africa or Eastern Africa is essential. Proficiency in English is mandatory; fluency in French or another local language is a plus.
- d) **Training Expert:** Master Degree in Telecommunications, Business Studies, Public Policy or related fields, with **7+ years of experience** designing and delivering training programs for policymakers, regulators and operators in infrastructure PPP projects is required. Proficiency in English is mandatory; fluency in French or another local language is a plus.
- e) **PPP Expert:** Master degree in Business Studies, Finance, Economics, Public Policy or a related field, with **7+ years of experience** in PPP advisory, investment modelling, risk sharing, financing mechanism and structuring PPPs for infrastructure programmes is required. Proficiency in English is mandatory; fluency in French or another local language is a plus.