



SPECIFIC PROCUREMENT NOTICE

Invitation for Prequalification

Country: MALAWI

Project ID: P111432

Project Name: REGIONAL COMMUNICATION INFRASTRUCTURE PROGRAM – MALAWI
PROJECT (RCIPMW)

Brief Description of Services:

A Public Private Partnership (PPP) arrangement for the provision of international broadband connectivity to Malawi through the installation and operation of a fiber optic cable from Lilongwe to Dar es Salaam and onward transit over submarine fiber optic cable.

Credit No.:4602.MAI

1 Background

This invitation for prequalification follows the general procurement notice for this project that appeared in *Development Business* No. WB 3920 of 17 September 2009 on-line and in DG Market.

The Government of the Republic of Malawi has received a credit from the International Development Association (IDA) towards the cost of the Regional Communication Infrastructure Program – Malawi Project (RCIPMW), and it intends to apply a portion of the proceeds of this credit to payments under the contract for A PPP arrangement for the provision of international broadband connectivity to Malawi. The Privatization Commission intends to prequalify telecommunication firms for the provision of international broadband connectivity to Malawi through the installation and operation of a fiber optic cable from Lilongwe to Dar es Salaam and onward transit. It is expected that invitations for bid will be made in August, 2012.

Prequalification will be conducted through prequalification procedures specified in the World Bank's Guidelines: Procurement under IBRD Loans and IDA Credits, May 2004, revised October 2006 and May 2010 and is open to all bidders from eligible source countries, as defined in the guidelines.

2 Scope of the Assignment:

The Government as a party to the PPP agreement intends to use its purchasing power to lower the demand risk of the project and therefore the cost of international broadband connectivity. The

Government through the PPP arrangement seeks to attract new private sector investment in Malawi's fiber optic telecommunication backbone infrastructure with the objectives of diversifying international routes and reducing international connectivity prices through increased competition. The winning bidder will be required to offer a specified menu of international telecommunication services at the virtual landing point to be established in Lilongwe. The designated route for the services is from Lilongwe to the Tanzania Border in Karonga, a distance of about 670 km. Several drop off points (less than 10) in the Malawi leg of the network will be required. The winning bidder will be mandated to supply services to both the Government and all requesting telecommunication operators and commercial subscribers in Malawi on a non-discriminatory basis.

In addition, the Electricity Supply Commission of Malawi ("ESCOM") will offer the winning bidder the option, but not the obligation, to access and use its electricity transmission facilities for the installation and operation of a telecommunication network from Lilongwe to a point near the prescribed interconnection point at the Tanzania border on agreed terms and conditions between the two parties.

The winning bidder, in order to perform its obligations to provide telecommunication services to Malawi, and as a significant private sector component of the public-private partnership, will have to construct, install, maintain and operate a Virtual Landing Point (VLP) and the fiber optic cable telecommunication system between the VLP in Lilongwe, Malawi and an interconnection point at the Malawi-Tanzania border with corresponding fiber optic telecommunication facilities in Tanzania. Onward terrestrial and submarine transit to recognized Tier 1 suppliers at international interconnection points such as London and Frankfurt must also be over fiber optic cable, but may be provided by the winning bidder either on a reseller or facilities-based operator basis. The contract price, for services offered to Government, will be paid by the Government in installments upon commencement of the delivery of service against specific performance standards, all as specified in the IFB and contract.

3 Licensing Requirements

To provide bidders with advance notice of the license terms that will be applicable to the winning bidder, the Malawi Communications Regulatory Authority ("MACRA") will offer a form of license as part of the bid package included in the IFB, with the assurance that the winning bidder will be awarded a license on substantially the same terms. Each incumbent telecommunication operator whose existing license(s) already permit(s) some or all of the activities covered by the offered license will be required, as a condition of bidding, to agree to the amendment of its existing license(s) to incorporate the obligations set forth in the offered license, if it is selected as winning bidder and awarded a contract to provide telecommunication services to the Government and the general public. Accordingly, applicants for prequalification to bid will have their applications reviewed by the PC with the involvement of MACRA, and a determination that an applicant is prequalified to bid will also include a determination that it is prequalified to be issued a license in the form included in the bid documents accompanying the IFB.

4 Invitation for Applications

In the process initiated by this invitation for bidder prequalification, the PC intends to prequalify

telecommunications service providers with the requisite experience and qualifications (whether single entities or joint ventures of entities) to supply such telecommunication services to Malawi. Only applicants who participate in the prequalification process, and whom the PC determines are qualified to bid, will be requested to bid. The PC plans to issue an invitation for bids ("IFB") in August 2012, after completion of the bidder prequalification process.

Interested eligible applicants should register and obtain pre-qualification documents from The Privatization Commission at the address below or by sending an email to info@pppc.mw copied to ymnthombula@pppc.mw.

Applications for prequalification should be submitted in sealed envelopes, delivered to the address below by **16 July 2012**, and be clearly marked "Application to Prequalify a Private Partner for a PPP arrangement for the provision of international broadband connectivity to Malawi: Contract number: RCIPMWSERV05\12-11"

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