



Zimbabwe

40 Matebeleland Telecommunications Network Development Project

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This project's objective was to promote the improvement of telecommunications in the major cities in the state of Matebeleland through installing and expanding telecommunications facilities in the regions, and thereby contribute to the improvement of the living and investment environment in the region.

Loan Amount/Disbursed Amount: 9,523 million yen/9,189 million yen

Loan Agreement: August 1993

Terms and Conditions: Interest rate 3.0%; Repayment period 30 years (grace period 10 years); General untied

Final Disbursement Date: December 2002

Executing Agency: Zimbabwe Post and Telecommunication Corporation (PTC)



External Evaluator: Keishi Miyazaki (Overseas Project Management Consultants, Ltd.)

Field Survey: October 2004

Evaluation Result

In this project, installation and expansion of switchboards, transmission lines and subscriber cables were carried out almost as planned. Although the project period exceeded the plan due to delays in bidding evaluations, etc., its cost was lower than planned.

The total number of subscriber cables in the 4 beneficiary areas (Bulawayo, Hwange, Victoria Falls, and Gwanda) increased from 33,000 cables in 2000 to 74,000 cables in 2004, with approximately 40,000 households benefiting. The telephone density improved during the same period in Bulawayo from 3.6% to 9.7%, in Hwange from 1.0% to 2.2%, in Victoria Falls from 5.1% to 14.8%, and in Gwanda from 0.7% to 1.3%. The total number of lines on the waiting list* was also reduced from approximately 20,000 to 7,000. In addition, the quality of telephone service improved, with a great improvement in the fault ratio, in Bulawayo from 24.0% to 3.8%, in Hwange from 12.0% to 4.0%, in Victoria Falls from 10.8% to 4.0%, and in Gwanda from 14.0% to 4.6%.

In the beneficiary survey targeted at the 220 households, 137 responded that "there was a positive impact on the living environment due to improvement of communications." In the

beneficiary survey targeted at 22 companies, 19 responded that "the investment environment improved."

The telephone service division of PTC was reorganized based on a deregulation policy, and in 2001, it became the state-owned company TelOne. There are no problems in TelOne's technical capacity and its operation and maintenance. However, due to a foreign exchange loss on loans that were mainly in foreign currency, the company posted a deficit of 8.5 billion Zimbabwe dollars (approx. 1 billion yen) in 2003.

* Number of lines for which an application has been filed but which are not yet in operation.

Third-Party Evaluator's Opinion

This project contributes to the installation of communications infrastructure in Zimbabwe and to the improvement of the investment environment. However, TelOne is facing financial difficulties as a result of the current national economic crisis.

Third-Party Evaluator: Mr. Lucky Maurukira (private company)

Obtained a master's degree in communications technology from University of Wales, Swansea. Currently is the president of Packetel Ltd. Former professor of communications at University of Zimbabwe. Specializes in electronics.

Project Area



The square area of Matebeleland, which is situated in southwest Zimbabwe, is roughly 3 times that of Kyushu, Japan. Bulawayo is the second largest city, and its population in 2002 was approximately 670,000 persons.

Changes in the Telephone Density

