

Third Party Evaluator's Opinion on Matebeleland Telecommunications Network Development Project

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Relevance

The overall objective of the Matebeleland Telecommunications Network Development Project was to digitalise and expand the telecommunications network in order to satisfy the telephone demand and provide quality and more reliable services, thereby promoting the commercial and industrial activity, living environment and investment in the Matebeleland region of Zimbabwe.

The objectives of this project at the time of appraisal were addressed as follows.

The government of Zimbabwe recognised that in order to attract investment and accelerate national economic development, the telecommunications infrastructure needed to be well established. The Matebeleland region plays a critical role in the industrial, commercial and tourism sectors in the national economy.

Telone (then PTC) planned to modernise and well as expand its equipment. At the time of conception of this project, Matebeleland was generally lagging behind other provinces in terms of telecommunications infrastructure. Its waiting list accounted for about 30% of the total national waiting list, a lot of its cables were old and the switching systems were also aging.

JBIC's policy to support overseas development worldwide was also met in this big project

At the time of post evaluation and project completion the needs of the government, Telone, the region as well as that of the donor were met and addressed as follows.

A quantitative and qualitative improvement of the telecommunications network in Matebeleland was recorded. The numbers of lines expanded almost to double impacting on investor confidence within the region.

Addressing the needs and demands of beneficiaries was also realized in the servicing of households and businesses, reducing the waiting list. The quality of the network as seen by the improvement of call completion, fault ratio and clearance times improving communications.

Sustainability

Responsibility for Operations and Maintenance lies with Telone which however still requires the support and input of all stakeholders to ensure a good sustainability of this project.

Financially Telone like any Zimbabwean company operating in the post evaluation period of this project is experiencing challenges as a result of a run away inflation, shortage of foreign currency and an unstable exchange rate from 7: 1USD in 1997 to 6000:1USD by the end 2004 (and 24000:1USD August 2005). This has reduced investor confidence, the national credit worthiness and is likely to impact negatively on the procurement of spares, tools and the retaining of experienced staff. The cost of operations and maintenance of the network system is impacted negatively by all these factors.

Telone currently has well qualified/trained and experienced technicians and maintenance engineers. Some have attended overseas courses on the installed equipment. Continued training of personnel is needed in light of the worsening brain drain to overseas nations affecting the nation due to the deteriorating economy.

Telone's Electronic Repair Centre repairs circuit boards to component level and only sends the difficult ones back to the manufacturers overseas for repair or replacement at the factory. The repair costs overseas are charged in foreign currency posing another challenge of its accessibility and availability. Some jobs may delay or even fail to be returned as a result. For the same reasons system upgrades may also be difficult to be done when needed. The phasing out of the system model may also pose a difficulty in the availability of spares in not well planned.

From an institutional or organisational perspective the unbundling and commercialization of the former PTC which birthed Telone is set to benefit the efficiency and competency of the company as it focuses on its core-business of providing reliable and affordable telephony to the nation. This has been followed by a restructuring exercise aimed at turning around the

organization by creating a leaner and more efficient organisational structure. Bureaucratic tape is also cut and work culture of the employees is also changed as it focuses on customer service and competitiveness.